

TEXT OF BUDGET CONTROL ACT AMENDMENT

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Budget Control Act of 2011”.

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Severability.

TITLE I—TEN-YEAR DISCRETIONARY CAPS WITH SEQUESTER

Sec. 101. Enforcing discretionary spending limits.

Sec. 102. Definitions.

Sec. 103. Reports and orders.

Sec. 104. Expiration.

Sec. 105. Amendments to the Congressional Budget and Impoundment Control
Act of 1974.

Sec. 106. Senate budget enforcement.

TITLE II—VOTE ON THE BALANCED BUDGET AMENDMENT

Sec. 201. Vote on the balanced budget amendment.

Sec. 202. Consideration by the other House.

TITLE III—DEBT CEILING DISAPPROVAL PROCESS

Sec. 301. Debt ceiling disapproval process.

Sec. 302. Enforcement of budget goal.

TITLE IV—JOINT SELECT COMMITTEE ON DEFICIT REDUCTION

Sec. 401. Establishment of Joint Select Committee.

Sec. 402. Expedited consideration of joint committee recommendations.

Sec. 403. Funding.

Sec. 404. Rulemaking.

TITLE V—PELL GRANT AND STUDENT LOAN PROGRAM CHANGES

Sec. 501. Federal Pell grants.

Sec. 502. Termination of authority to make interest subsidized loans to grad-
uate and professional students.

Sec. 503. Termination of direct loan repayment incentives.

Sec. 504. Inapplicability of title IV negotiated rulemaking and master calendar exception.

1 **SEC. 2. SEVERABILITY.**

2 If any provision of this Act, or any application of such
3 provision to any person or circumstance, is held to be un-
4 constitutional, the remainder of this Act and the applica-
5 tion of this Act to any other person or circumstance shall
6 not be affected.

7 **TITLE I—TEN-YEAR DISCRE-**
8 **TIONARY CAPS WITH SEQUES-**
9 **TER**

10 **SEC. 101. ENFORCING DISCRETIONARY SPENDING LIMITS.**

11 Section 251 of the Balanced Budget and Emergency
12 Deficit Control Act of 1985 is amended to read as follows:

13 **“SEC. 251. ENFORCING DISCRETIONARY SPENDING LIMITS.**

14 **“(a) ENFORCEMENT.—**

15 **“(1) SEQUESTRATION.—**Within 15 calendar
16 days after Congress adjourns to end a session there
17 shall be a sequestration to eliminate a budget-year
18 breach, if any, within any category.

19 **“(2) ELIMINATING A BREACH.—**Each non-ex-
20 empt account within a category shall be reduced by
21 a dollar amount calculated by multiplying the en-
22 acted level of sequestrable budgetary resources in
23 that account at that time by the uniform percentage
24 necessary to eliminate a breach within that category.

1 “(3) MILITARY PERSONNEL.—If the President
2 uses the authority to exempt any personnel account
3 from sequestration under section 255(f), each ac-
4 count within subfunctional category 051 (other than
5 those military personnel accounts for which the au-
6 thority provided under section 255(f) has been exer-
7 cised) shall be further reduced by a dollar amount
8 calculated by multiplying the enacted level of non-ex-
9 empt budgetary resources in that account at that
10 time by the uniform percentage necessary to offset
11 the total dollar amount by which outlays are not re-
12 duced in military personnel accounts by reason of
13 the use of such authority.

14 “(4) PART-YEAR APPROPRIATIONS.—If, on the
15 date specified in paragraph (1), there is in effect an
16 Act making or continuing appropriations for part of
17 a fiscal year for any budget account, then the dollar
18 sequestration calculated for that account under
19 paragraphs (2) and (3) shall be subtracted from—

20 “(A) the annualized amount otherwise
21 available by law in that account under that or
22 a subsequent part-year appropriation; and

23 “(B) when a full-year appropriation for
24 that account is enacted, from the amount other-

1 wise provided by the full-year appropriation for
2 that account.

3 “(5) LOOK-BACK.—If, after June 30, an appro-
4 priation for the fiscal year in progress is enacted
5 that causes a breach within a category for that year
6 (after taking into account any sequestration of
7 amounts within that category), the discretionary
8 spending limits for that category for the next fiscal
9 year shall be reduced by the amount or amounts of
10 that breach.

11 “(6) WITHIN-SESSION SEQUESTRATION.—If an
12 appropriation for a fiscal year in progress is enacted
13 (after Congress adjourns to end the session for that
14 budget year and before July 1 of that fiscal year)
15 that causes a breach within a category for that year
16 (after taking into account any prior sequestration of
17 amounts within that category), 15 days later there
18 shall be a sequestration to eliminate that breach
19 within that category following the procedures set
20 forth in paragraphs (2) through (4).

21 “(7) ESTIMATES.—

22 “(A) CBO ESTIMATES.—As soon as prac-
23 ticable after Congress completes action on any
24 discretionary appropriation, CBO, after con-
25 sultation with the Committees on the Budget of

1 the House of Representatives and the Senate,
2 shall provide OMB with an estimate of the
3 amount of discretionary new budget authority
4 and outlays for the current year, if any, and the
5 budget year provided by that legislation.

6 “(B) OMB ESTIMATES AND EXPLANATION
7 OF DIFFERENCES.—Not later than 7 calendar
8 days (excluding Saturdays, Sundays, and legal
9 holidays) after the date of enactment of any
10 discretionary appropriation, OMB shall trans-
11 mit a report to the House of Representatives
12 and to the Senate containing the CBO estimate
13 of that legislation, an OMB estimate of the
14 amount of discretionary new budget authority
15 and outlays for the current year, if any, and the
16 budget year provided by that legislation, and an
17 explanation of any difference between the 2 es-
18 timates. If during the preparation of the report
19 OMB determines that there is a significant dif-
20 ference between OMB and CBO, OMB shall
21 consult with the Committees on the Budget of
22 the House of Representatives and the Senate
23 regarding that difference and that consultation
24 shall include, to the extent practicable, written
25 communication to those committees that affords

1 such committees the opportunity to comment
2 before the issuance of the report.

3 “(C) ASSUMPTIONS AND GUIDELINES.—
4 OMB estimates under this paragraph shall be
5 made using current economic and technical as-
6 sumptions. OMB shall use the OMB estimates
7 transmitted to the Congress under this para-
8 graph. OMB and CBO shall prepare estimates
9 under this paragraph in conformance with
10 scorekeeping guidelines determined after con-
11 sultation among the Committees on the Budget
12 of the House of Representatives and the Sen-
13 ate, CBO, and OMB.

14 “(D) ANNUAL APPROPRIATIONS.—For
15 purposes of this paragraph, amounts provided
16 by annual appropriations shall include any dis-
17 cretionary appropriations for the current year,
18 if any, and the budget year in accounts for
19 which funding is provided in that legislation
20 that result from previously enacted legislation.

21 “(b) ADJUSTMENTS TO DISCRETIONARY SPENDING
22 LIMITS.—

23 “(1) CONCEPTS AND DEFINITIONS.—When the
24 President submits the budget under section 1105 of
25 title 31, United States Code, OMB shall calculate

1 and the budget shall include adjustments to discre-
2 tionary spending limits (and those limits as cumula-
3 tively adjusted) for the budget year and each out-
4 year to reflect changes in concepts and definitions.
5 Such changes shall equal the baseline levels of new
6 budget authority and outlays using up-to-date con-
7 cepts and definitions, minus those levels using the
8 concepts and definitions in effect before such
9 changes. Such changes may only be made after con-
10 sultation with the Committees on Appropriations
11 and the Budget of the House of Representatives and
12 the Senate, and that consultation shall include writ-
13 ten communication to such committees that affords
14 such committees the opportunity to comment before
15 official action is taken with respect to such changes.

16 “(2) SEQUESTRATION REPORTS.—When OMB
17 submits a sequestration report under section 254(e),
18 (f), or (g) for a fiscal year, OMB shall calculate, and
19 the sequestration report and subsequent budgets
20 submitted by the President under section 1105(a) of
21 title 31, United States Code, shall include adjust-
22 ments to discretionary spending limits (and those
23 limits as adjusted) for the fiscal year and each suc-
24 ceeding year, as follows:

1 “(A) EMERGENCY APPROPRIATIONS; OVER-
2 SEAS CONTINGENCY OPERATIONS/GLOBAL WAR
3 ON TERRORISM.—If, for any fiscal year, appro-
4 priations for discretionary accounts are enacted
5 that—

6 “(i) the Congress designates as emer-
7 gency requirements in statute on an ac-
8 count by account basis and the President
9 subsequently so designates, or

10 “(ii) the Congress designates for
11 Overseas Contingency Operations/Global
12 War on Terrorism in statute on an account
13 by account basis and the President subse-
14 quently so designates,

15 the adjustment shall be the total of such appro-
16 priations in discretionary accounts designated
17 as emergency requirements or for Overseas
18 Contingency Operations/Global War on Ter-
19 rorism, as applicable.

20 “(B) CONTINUING DISABILITY REVIEWS
21 AND REDETERMINATIONS.—(i) If a bill or joint
22 resolution making appropriations for a fiscal
23 year is enacted that specifies an amount for
24 continuing disability reviews under titles II and
25 XVI of the Social Security Act and for the cost

1 associated with conducting redeterminations of
2 eligibility under title XVI of the Social Security
3 Act, then the adjustments for that fiscal year
4 shall be the additional new budget authority
5 provided in that Act for such expenses for that
6 fiscal year, but shall not exceed—

7 “(I) for fiscal year 2012,
8 \$623,000,000 in additional new budget au-
9 thority;

10 “(II) for fiscal year 2013,
11 \$751,000,000 in additional new budget au-
12 thority;

13 “(III) for fiscal year 2014,
14 \$924,000,000 in additional new budget au-
15 thority;

16 “(IV) for fiscal year 2015,
17 \$1,123,000,000 in additional new budget
18 authority;

19 “(V) for fiscal year 2016,
20 \$1,166,000,000 in additional new budget
21 authority;

22 “(VI) for fiscal year 2017,
23 \$1,309,000,000 in additional new budget
24 authority;

1 “(VII) for fiscal year 2018,
2 \$1,309,000,000 in additional new budget
3 authority;

4 “(VIII) for fiscal year 2019,
5 \$1,309,000,000 in additional new budget
6 authority;

7 “(IX) for fiscal year 2020,
8 \$1,309,000,000 in additional new budget
9 authority; and

10 “(X) for fiscal year 2021,
11 \$1,309,000,000 in additional new budget
12 authority.

13 “(ii) As used in this subparagraph—

14 “(I) the term ‘continuing disability re-
15 views’ means continuing disability reviews
16 under sections 221(i) and 1614(a)(4) of
17 the Social Security Act;

18 “(II) the term ‘redetermination’
19 means redetermination of eligibility under
20 sections 1611(c)(1) and 1614(a)(3)(H) of
21 the Social Security Act; and

22 “(III) the term ‘additional new budget
23 authority’ means the amount provided for
24 a fiscal year, in excess of \$273,000,000, in
25 an appropriation Act and specified to pay

1 for the costs of continuing disability re-
2 views and redeterminations under the
3 heading ‘Limitation on Administrative Ex-
4 penses’ for the Social Security Administra-
5 tion.

6 “(C) HEALTH CARE FRAUD AND ABUSE
7 CONTROL.—(i) If a bill or joint resolution mak-
8 ing appropriations for a fiscal year is enacted
9 that specifies an amount for the health care
10 fraud abuse control program at the Department
11 of Health and Human Services (75–8393–0–7–
12 571), then the adjustments for that fiscal year
13 shall be the amount of additional new budget
14 authority provided in that Act for such program
15 for that fiscal year, but shall not exceed—

16 “(I) for fiscal year 2012,
17 \$270,000,000 in additional new budget au-
18 thority;

19 “(II) for fiscal year 2013,
20 \$299,000,000 in additional new budget au-
21 thority;

22 “(III) for fiscal year 2014,
23 \$329,000,000 in additional new budget au-
24 thority;

1 “(IV) for fiscal year 2015,
2 \$361,000,000 in additional new budget au-
3 thority;

4 “(V) for fiscal year 2016,
5 \$395,000,000 in additional new budget au-
6 thority;

7 “(VI) for fiscal year 2017,
8 \$414,000,000 in additional new budget au-
9 thority;

10 “(VII) for fiscal year 2018,
11 \$434,000,000 in additional new budget au-
12 thority;

13 “(VIII) for fiscal year 2019,
14 \$454,000,000 in additional new budget au-
15 thority;

16 “(IX) for fiscal year 2020,
17 \$475,000,000 in additional new budget au-
18 thority; and

19 “(X) for fiscal year 2021,
20 \$496,000,000 in additional new budget au-
21 thority.

22 “(ii) As used in this subparagraph, the
23 term ‘additional new budget authority’ means
24 the amount provided for a fiscal year, in excess
25 of \$311,000,000, in an appropriation Act and

1 specified to pay for the costs of the health care
2 fraud and abuse control program.

3 “(D) DISASTER FUNDING.—

4 “(i) If, for fiscal years 2012 through
5 2021, appropriations for discretionary ac-
6 counts are enacted that Congress des-
7 ignates as being for disaster relief in stat-
8 ute, the adjustment for a fiscal year shall
9 be the total of such appropriations for the
10 fiscal year in discretionary accounts des-
11 ignated as being for disaster relief, but not
12 to exceed the total of—

13 “(I) the average funding provided
14 for disaster relief over the previous 10
15 years, excluding the highest and low-
16 est years; and

17 “(II) the amount, for years when
18 the enacted new discretionary budget
19 authority designated as being for dis-
20 aster relief for the preceding fiscal
21 year was less than the average as cal-
22 culated in subclause (I) for that fiscal
23 year, that is the difference between
24 the enacted amount and the allowable

1 adjustment as calculated in such sub-
2 clause for that fiscal year.

3 “(ii) OMB shall report to the Com-
4 mittees on Appropriations and Budget in
5 each House the average calculated pursu-
6 ant to clause (i)(II), not later than 30 days
7 after the date of the enactment of the
8 Budget Control Act of 2011.

9 “(iii) For the purposes of this sub-
10 paragraph, the term ‘disaster relief’ means
11 activities carried out pursuant to a deter-
12 mination under section 102(2) of the Rob-
13 ert T. Stafford Disaster Relief and Emer-
14 gency Assistance Act (42 U.S.C. 5122(2)).

15 “(iv) Appropriations considered dis-
16 aster relief under this subparagraph in a
17 fiscal year shall not be eligible for adjust-
18 ments under subparagraph (A) for the fis-
19 cal year.

20 “(c) DISCRETIONARY SPENDING LIMIT.—As used in
21 this part, the term ‘discretionary spending limit’ means—

22 “(1) with respect to fiscal year 2012—

23 “(A) for the security category,
24 \$684,000,000,000 in new budget authority; and

1 “(B) for the nonsecurity category,
2 \$359,000,000,000 in new budget authority;

3 “(2) with respect to fiscal year 2013—

4 “(A) for the security category,
5 \$686,000,000,000 in new budget authority; and

6 “(B) for the nonsecurity category,
7 \$361,000,000,000 in new budget authority;

8 “(3) with respect to fiscal year 2014, for the
9 discretionary category, \$1,066,000,000,000 in new
10 budget authority;

11 “(4) with respect to fiscal year 2015, for the
12 discretionary category, \$1,086,000,000,000 in new
13 budget authority;

14 “(5) with respect to fiscal year 2016, for the
15 discretionary category, \$1,107,000,000,000 in new
16 budget authority;

17 “(6) with respect to fiscal year 2017, for the
18 discretionary category, \$1,131,000,000,000 in new
19 budget authority;

20 “(7) with respect to fiscal year 2018, for the
21 discretionary category, \$1,156,000,000,000 in new
22 budget authority;

23 “(8) with respect to fiscal year 2019, for the
24 discretionary category, \$1,182,000,000,000 in new
25 budget authority;

1 “(9) with respect to fiscal year 2020, for the
2 discretionary category, \$1,208,000,000,000 in new
3 budget authority; and

4 “(10) with respect to fiscal year 2021, for the
5 discretionary category, \$1,234,000,000,000 in new
6 budget authority;

7 as adjusted in strict conformance with subsection (b).”.

8 **SEC. 102. DEFINITIONS.**

9 Section 250(c) of the Balanced Budget and Emer-
10 gency Deficit Control Act of 1985 is amended as follows:

11 (1) Strike paragraph (4) and insert the fol-
12 lowing new paragraph:

13 “(4)(A) The term ‘nonsecurity category’ means
14 all discretionary appropriations not included in the
15 security category defined in subparagraph (B).

16 “(B) The term ‘security category’ includes dis-
17 cretionary appropriations associated with agency
18 budgets for the Department of Defense, the Depart-
19 ment of Homeland Security, the Department of Vet-
20 erans Affairs, the National Nuclear Security Admin-
21 istration, the intelligence community management
22 account (95–0401–0–1–054), and all budget ac-
23 counts in budget function 150 (international af-
24 fairs).

1 “(C) The term ‘discretionary category’ includes
2 all discretionary appropriations.”.

3 (2) In paragraph (8)(C), strike “the food stamp
4 program” and insert “the Supplemental Nutrition
5 Assistance Program”.

6 (3) Strike paragraph (14) and insert the fol-
7 lowing new paragraph:

8 “(14) The term ‘outyear’ means a fiscal year
9 one or more years after the budget year.”.

10 (4) At the end, add the following new para-
11 graphs:

12 “(20) The term ‘emergency’ means a situation
13 that—

14 “(A) requires new budget authority and
15 outlays (or new budget authority and the out-
16 lays flowing therefrom) for the prevention or
17 mitigation of, or response to, loss of life or
18 property, or a threat to national security; and

19 “(B) is unanticipated.

20 “(21) The term ‘unanticipated’ means that the
21 underlying situation is—

22 “(A) sudden, which means quickly coming
23 into being or not building up over time;

24 “(B) urgent, which means a pressing and
25 compelling need requiring immediate action;

1 “(C) unforeseen, which means not pre-
2 dicted or anticipated as an emerging need; and

3 “(D) temporary, which means not of a per-
4 manent duration.”.

5 **SEC. 103. REPORTS AND ORDERS.**

6 Section 254 of the Balanced Budget and Emergency
7 Deficit Control Act of 1985 is amended as follows:

8 (1) In subsection (c)(2), strike “2002” and in-
9 sert “2021”.

10 (2) At the end of subsection (e), insert “This
11 report shall also contain a preview estimate of the
12 adjustment for disaster funding for the upcoming
13 fiscal year.”.

14 (3) In subsection (f)(2)(A), strike “2002” and
15 insert “2021”; before the concluding period insert “,
16 including a final estimate of the adjustment for dis-
17 aster funding”.

18 **SEC. 104. EXPIRATION.**

19 (a) **REPEALER.**—Section 275 of the Balanced Budget
20 and Emergency Deficit Control Act of 1985 is repealed.

21 (b) **CONFORMING CHANGE.**—Sections 252(d)(1),
22 254(c), 254(f)(3), and 254(i) of the Balanced Budget and
23 Emergency Deficit Control Act of 1985 shall not apply
24 to the Congressional Budget Office.

1 **SEC. 105. AMENDMENTS TO THE CONGRESSIONAL BUDGET**
2 **AND IMPOUNDMENT CONTROL ACT OF 1974.**

3 (a) ADJUSTMENTS.—Section 314 of the Congres-
4 sional Budget Act of 1974 is amended as follows:

5 (1) Strike subsection (a) and insert the fol-
6 lowing:

7 “(a) ADJUSTMENTS.—After the reporting of a bill or
8 joint resolution or the offering of an amendment thereto
9 or the submission of a conference report thereon, the
10 chairman of the Committee on the Budget of the House
11 of Representatives or the Senate may make appropriate
12 budgetary adjustments of new budget authority and the
13 outlays flowing therefrom in the same amount as required
14 by section 251(b) of the Balanced Budget and Emergency
15 Deficit Control Act of 1985.”.

16 (2) Strike subsections (b) and (e) and redesignate
17 subsections (c) and (d) as subsections (b) and
18 (c), respectively.

19 (3) At the end, add the following new sub-
20 sections:

21 “(d) EMERGENCIES IN THE HOUSE OF REPRESENTA-
22 TIVES.— (1) In the House of Representatives, if a re-
23 ported bill or joint resolution, or amendment thereto or
24 conference report thereon, contains a provision providing
25 new budget authority and outlays or reducing revenue,
26 and a designation of such provision as an emergency re-

1 quirement pursuant to 251(b)(2)(A) of the Balanced
2 Budget and Emergency Deficit Control Act of 1985, the
3 chair of the Committee on the Budget of the House of
4 Representatives shall not count the budgetary effects of
5 such provision for purposes of title III and title IV of the
6 Congressional Budget Act of 1974 and the Rules of the
7 House of Representatives.

8 “(2)(A) In the House of Representatives, if a re-
9 ported bill or joint resolution, or amendment thereto or
10 conference report thereon, contains a provision providing
11 new budget authority and outlays or reducing revenue,
12 and a designation of such provision as an emergency pur-
13 suant to paragraph (1), the chair of the Committee on
14 the Budget shall not count the budgetary effects of such
15 provision for purposes of this title and title IV and the
16 Rules of the House of Representatives.

17 “(B) In the House of Representatives, a proposal to
18 strike a designation under subparagraph (A) shall be ex-
19 cluded from an evaluation of budgetary effects for pur-
20 poses of this title and title IV and the Rules of the House
21 of Representatives.

22 “(C) An amendment offered under subparagraph (B)
23 that also proposes to reduce each amount appropriated or
24 otherwise made available by the pending measure that is
25 not required to be appropriated or otherwise made avail-

1 able shall be in order at any point in the reading of the
2 pending measure.

3 “(e) ENFORCEMENT OF DISCRETIONARY SPENDING
4 CAPS.—It shall not be in order in the House of Represent-
5 atives or the Senate to consider any bill, joint resolution,
6 amendment, motion, or conference report that would cause
7 the discretionary spending limits as set forth in section
8 251 of the Balanced Budget and Emergency Deficit Con-
9 trol Act to be exceeded.”.

10 (b) DEFINITIONS.—Section 3 of the Congressional
11 Budget and Impoundment Control Act of 1974 is amend-
12 ed by adding at the end the following new paragraph:

13 “(11) The terms ‘emergency’ and ‘unantici-
14 pated’ have the meanings given to such terms in sec-
15 tion 250(c) of the Balanced Budget and Emergency
16 Deficit Control Act of 1985.”.

17 (c) APPEALS FOR DISCRETIONARY CAPS.—Section
18 904(c)(2) of the Congressional Budget Act of 1974 is
19 amended by striking “and 312(c)” and inserting “312(c),
20 and 314(e)”.

21 **SEC. 106. SENATE BUDGET ENFORCEMENT.**

22 (a) IN GENERAL.—

23 (1) For the purpose of enforcing the Congres-
24 sional Budget Act of 1974 through April 15, 2012,
25 including section 300 of that Act, and enforcing

1 budgetary points of order in prior concurrent resolu-
2 tions on the budget, the allocations, aggregates, and
3 levels set in subsection (b)(1) shall apply in the Sen-
4 ate in the same manner as for a concurrent resolu-
5 tion on the budget for fiscal year 2012 with appro-
6 priate budgetary levels for fiscal years 2011 and
7 2013 through 2021.

8 (2) For the purpose of enforcing the Congres-
9 sional Budget Act of 1974 after April 15, 2012, in-
10 cluding section 300 of that Act, and enforcing budg-
11 etary points of order in prior concurrent resolutions
12 on the budget, the allocations, aggregates, and levels
13 set in subsection (b)(2) shall apply in the Senate in
14 the same manner as for a concurrent resolution on
15 the budget for fiscal year 2013 with appropriate
16 budgetary levels for fiscal years 2012 and 2014
17 through 2022.

18 (b) COMMITTEE ALLOCATIONS, AGGREGATES, AND
19 LEVELS.—

20 (1) As soon as practicable after the date of en-
21 actment of this section, the Chairman of the Com-
22 mittee on the Budget shall file—

23 (A) for the Committee on Appropriations,
24 committee allocations for fiscal years 2011 and
25 2012 consistent with the discretionary spending

1 limits set forth in this Act for the purpose of
2 enforcing section 302 of the Congressional
3 Budget Act of 1974;

4 (B) for all committees other than the Com-
5 mittee on Appropriations, committee allocations
6 for fiscal years 2011, 2012, 2012 through
7 2016, and 2012 through 2021 consistent with
8 the Congressional Budget Office's March 2011
9 baseline adjusted to account for the budgetary
10 effects of this Act and legislation enacted prior
11 to this Act but not included in the Congres-
12 sional Budget Office's March 2011 baseline, for
13 the purpose of enforcing section 302 of the
14 Congressional Budget Act of 1974;

15 (C) aggregate spending levels for fiscal
16 years 2011 and 2012 and aggregate revenue
17 levels for fiscal years 2011, 2012, 2012 through
18 2016, 2012 through 2021 consistent with the
19 Congressional Budget Office's March 2011
20 baseline adjusted to account for the budgetary
21 effects of this Act and legislation enacted prior
22 to this Act but not included in the Congres-
23 sional Budget Office's March 2011 baseline,
24 and the discretionary spending limits set forth
25 in this Act for the purpose of enforcing section

1 311 of the Congressional Budget Act of 1974;
2 and

3 (D) levels of Social Security revenues and
4 outlays for fiscal years 2011, 2012, 2012
5 through 2016, and 2012 through 2021 con-
6 sistent with the Congressional Budget Office's
7 March 2011 baseline adjusted to account for
8 the budgetary effects of this Act and legislation
9 enacted prior to this Act but not included in the
10 Congressional Budget Office's March 2011
11 baseline, for the purpose of enforcing sections
12 302 and 311 of the Congressional Budget Act
13 of 1974.

14 (2) Not later than April 15, 2012, the Chair-
15 man of the Committee on the Budget shall file—

16 (A) for the Committee on Appropriations,
17 committee allocations for fiscal years 2012 and
18 2013 consistent with the discretionary spending
19 limits set forth in this Act for the purpose of
20 enforcing section 302 of the Congressional
21 Budget Act of 1974;

22 (B) for all committees other than the Com-
23 mittee on Appropriations, committee allocations
24 for fiscal years 2012, 2013, 2013 through
25 2017, and 2013 through 2022 consistent with

1 the Congressional Budget Office's March 2012
2 baseline for the purpose of enforcing section
3 302 of the Congressional Budget Act of 1974;
4 (C) aggregate spending levels for fiscal
5 years 2012 and 2013 and aggregate revenue
6 levels for fiscal years 2012, 2013, 2013–2017,
7 and 2013–2022 consistent with the Congres-
8 sional Budget Office's March 2012 baseline and
9 the discretionary spending limits set forth in
10 this Act for the purpose of enforcing section
11 311 of the Congressional Budget Act of 1974;
12 and

13 (D) levels of Social Security revenues and
14 outlays for fiscal years 2012 and 2013, 2013–
15 2017, and 2013–2022 consistent with the Con-
16 gressional Budget Office's March 2012 baseline
17 budget for the purpose of enforcing sections
18 302 and 311 of the Congressional Budget Act
19 of 1974.

20 (c) SENATE PAY-AS-YOU-GO SCORECARD.—

21 (1) Effective on the date of enactment of this
22 section, for the purpose of enforcing section 201 of
23 S. Con. Res. 21 (110th Congress), the Chairman of
24 the Senate Committee on the Budget shall reduce

1 any balances of direct spending and revenues for any
2 fiscal year to 0 (zero).

3 (2) Not later than April 15, 2012, for the pur-
4 pose of enforcing section 201 of S. Con. Res. 21
5 (110th Congress), the Chairman of the Senate Com-
6 mittee on the Budget shall reduce any balances of
7 direct spending and revenues for any fiscal year to
8 0 (zero).

9 (3) Upon resetting the Senate paygo scorecard
10 pursuant to paragraph (2), the Chairman shall pub-
11 lish a notification of such action in the Congres-
12 sional Record.

13 (d) FURTHER ADJUSTMENTS.—

14 (1) The Chairman of the Committee on the
15 Budget of the Senate may revise any allocations, ag-
16 gregates, or levels set pursuant to this section to ac-
17 count for any subsequent adjustments to discre-
18 tionary spending limits made pursuant to this Act.

19 (2) With respect to any allocations, aggregates,
20 or levels set or adjustments made pursuant to this
21 section, sections 412 through 414 of S. Con. Res. 13
22 (111th Congress) shall remain in effect.

23 (e) EXPIRATION.—

24 (1) Subections (a)(1), (b)(1), and (c)(1) shall
25 expire if a concurrent resolution on the budget for

1 fiscal year 2012 is agreed to by the Senate and
2 House of Representatives pursuant to section 301 of
3 the Congressional Budget Act of 1974.

4 (2) Subections (a)(2), (b)(2), and (c)(2) shall
5 expire if a concurrent resolution on the budget for
6 fiscal year 2013 is agreed to by the Senate and
7 House of Representatives pursuant to section 301 of
8 the Congressional Budget Act of 1974.

9 **TITLE II—VOTE ON THE BAL-**
10 **ANCED BUDGET AMENDMENT**

11 **SEC. 201. VOTE ON THE BALANCED BUDGET AMENDMENT.**

12 After September 30, 2011, and not later than Decem-
13 ber 31, 2011, the House of Representatives and Senate,
14 respectively, shall vote on passage of a joint resolution,
15 the title of which is as follows: “Joint resolution proposing
16 a balanced budget amendment to the Constitution of the
17 United States.”.

18 **SEC. 202. CONSIDERATION BY THE OTHER HOUSE.**

19 (a) HOUSE CONSIDERATION.—

20 (1) REFERRAL.—If the House receives a joint
21 resolution described in section 201 from the Senate,
22 such joint resolution shall be referred to the Com-
23 mittee on the Judiciary. If the committee fails to re-
24 port the joint resolution within five legislative days,
25 it shall be in order to move that the House discharge

1 the committee from further consideration of the
2 joint resolution. Such a motion shall not be in order
3 after the House has disposed of a motion to dis-
4 charge the joint resolution. The previous question
5 shall be considered as ordered on the motion to its
6 adoption without intervening motion except twenty
7 minutes of debate equally divided and controlled by
8 the proponent and an opponent. If such a motion is
9 adopted, the House shall proceed immediately to
10 consider the joint resolution in accordance with
11 paragraph (3). A motion to reconsider the vote by
12 which the motion is disposed of shall not be in order.

13 (2) PROCEEDING TO CONSIDERATION.—After
14 the joint resolution has been referred to the appro-
15 priate calendar or the committee has been dis-
16 charged (other than by motion) from its consider-
17 ation, it shall be in order to move to proceed to con-
18 sider the joint resolution in the House. Such a mo-
19 tion shall not be in order after the House has dis-
20 posed of a motion to proceed with respect to the
21 joint resolution. The previous question shall be con-
22 sidered as ordered on the motion to its adoption
23 without intervening motion. A motion to reconsider
24 the vote by which the motion is disposed of shall not
25 be in order.

1 (3) CONSIDERATION.—The joint resolution
2 shall be considered as read. All points of order
3 against the joint resolution and against its consider-
4 ation are waived. The previous question shall be con-
5 sidered as ordered on the joint resolution to its pas-
6 sage without intervening motion except two hours of
7 debate equally divided and controlled by the pro-
8 ponent and an opponent and one motion to limit de-
9 bate on the joint resolution. A motion to reconsider
10 the vote on passage of the joint resolution shall not
11 be in order.

12 (b) SENATE CONSIDERATION.—(1) If the Senate re-
13 ceives a joint resolution described in section 201 from the
14 House of Representatives, such joint resolution shall be
15 referred to the appropriate committee of the Senate. If
16 such committee has not reported the joint resolution at
17 the close of the fifth session day after its receipt by the
18 Senate, such committee shall be automatically discharged
19 from further consideration of the joint resolution and it
20 shall be placed on the appropriate calendar.

21 (2) Consideration of the joint resolution and on all
22 debatable motions and appeals in connection therewith,
23 shall be limited to not more than 20 hours, which shall
24 be divided equally between the majority and minority lead-
25 ers or their designees. A motion further to limit debate

1 is in order and not debatable. An amendment to, or a mo-
2 tion to postpone, or a motion to proceed to the consider-
3 ation of other business, or a motion to recommit the joint
4 resolution is not in order. Any debatable motion or appeal
5 is debatable for not to exceed 1 hour, to be divided equally
6 between those favoring and those opposing the motion or
7 appeal. All time used for consideration of the joint resolu-
8 tion, including time used for quorum calls and voting,
9 shall be counted against the total 20 hours of consider-
10 ation.

11 (3) If the Senate has voted to proceed to a joint reso-
12 lution, the vote on passage of the joint resolution shall
13 be taken on or before the close of the seventh session day
14 after such joint resolution has been reported or discharged
15 or immediately following the conclusion of consideration
16 of the joint resolution, and a single quorum call at the
17 conclusion of the debate if requested in accordance with
18 the rules of the Senate.

19 **TITLE III—DEBT CEILING**
20 **DISAPPROVAL PROCESS**

21 **SEC. 301. DEBT CEILING DISAPPROVAL PROCESS.**

22 (a) IN GENERAL.—Subchapter I of chapter 31 of
23 subtitle III of title 31, United States Code, is amended—

1 (1) in section 3101(b), by striking “or other-
2 wise” and inserting “or as provided by section
3 3101A or otherwise”; and

4 (2) by inserting after section 3101 the fol-
5 lowing:

6 **“§ 3101A. Presidential modification of the debt ceil-**
7 **ing**

8 “(a) IN GENERAL.—

9 “(1) \$900 BILLION.—

10 “(A) CERTIFICATION.—If, not later than
11 December 31, 2011, the President submits a
12 written certification to Congress that the Presi-
13 dent has determined that the debt subject to
14 limit is within \$100,000,000,000 of the limit in
15 section 3101(b) and that further borrowing is
16 required to meet existing commitments, the
17 Secretary of the Treasury may exercise author-
18 ity to borrow an additional \$900,000,000,000,
19 subject to the enactment of a joint resolution of
20 disapproval enacted pursuant to this section.
21 Upon submission of such certification, the limit
22 on debt provided in section 3101(b) (referred to
23 in this section as the ‘debt limit’) is increased
24 by \$400,000,000,000.

1 “(B) RESOLUTION OF DISAPPROVAL.—

2 Congress may consider a joint resolution of dis-

3 approval of the authority under subparagraph

4 (A) as provided in subsections (b) through (f).

5 The joint resolution of disapproval considered

6 under this section shall contain only the lan-

7 guage provided in subsection (b)(2). If the time

8 for disapproval has lapsed without enactment of

9 a joint resolution of disapproval under this sec-

10 tion, the debt limit is increased by an additional

11 \$500,000,000,000.

12 “(2) ADDITIONAL AMOUNT.—

13 “(A) CERTIFICATION.—If, after the debt

14 limit is increased by \$900,000,000,000 under

15 paragraph (1), the President submits a written

16 certification to Congress that the President has

17 determined that the debt subject to limit is

18 within \$100,000,000,000 of the limit in section

19 3101(b) and that further borrowing is required

20 to meet existing commitments, the Secretary of

21 the Treasury may, subject to the enactment of

22 a joint resolution of disapproval enacted pursu-

23 ant to this section, exercise authority to borrow

24 an additional amount equal to—

1 “(i) \$1,200,000,000,000, unless
2 clause (ii) or (iii) applies;

3 “(ii) \$1,500,000,000,000 if the Archi-
4 vist of the United States has submitted to
5 the States for their ratification a proposed
6 amendment to the Constitution of the
7 United States pursuant to a joint resolu-
8 tion entitled ‘Joint resolution proposing a
9 balanced budget amendment to the Con-
10 stitution of the United States’; or

11 “(iii) if a joint committee bill to
12 achieve an amount greater than
13 \$1,200,000,000,000 in deficit reduction as
14 provided in section 401(b)(3)(B)(i)(II) of
15 the Budget Control Act of 2011 is enacted,
16 an amount equal to the amount of that
17 deficit reduction, but not greater than
18 \$1,500,000,000,000, unless clause (ii) ap-
19 plies.

20 “(B) RESOLUTION OF DISAPPROVAL.—
21 Congress may consider a joint resolution of dis-
22 approval of the authority under subparagraph
23 (A) as provided in subsections (b) through (f).
24 The joint resolution of disapproval considered
25 under this section shall contain only the lan-

1 guage provided in subsection (b)(2). If the time
2 for disapproval has lapsed without enactment of
3 a joint resolution of disapproval under this sec-
4 tion, the debt limit is increased by the amount
5 authorized under subparagraph (A).

6 “(b) JOINT RESOLUTION OF DISAPPROVAL.—

7 “(1) IN GENERAL.—Except for the
8 \$400,000,000,000 increase in the debt limit pro-
9 vided by subsection (a)(1)(A), the debt limit may not
10 be raised under this section if, within 50 calendar
11 days after the date on which Congress receives a
12 certification described in subsection (a)(1) or within
13 15 calendar days after Congress receives the certifi-
14 cation described in subsection (a)(2) (regardless of
15 whether Congress is in session), there is enacted into
16 law a joint resolution disapproving the President’s
17 exercise of authority with respect to such additional
18 amount.

19 “(2) CONTENTS OF JOINT RESOLUTION.—For
20 the purpose of this section, the term ‘joint resolu-
21 tion’ means only a joint resolution—

22 “(A)(i) for the certification described in
23 subsection (a)(1), that is introduced on Sep-
24 tember 6, 7, 8, or 9, 2011 (or, if the Senate

1 was not in session, the next calendar day on
2 which the Senate is in session); and

3 “(ii) for the certification described in
4 subsection (a)(2), that is introduced be-
5 tween the date the certification is received
6 and 3 calendar days after that date;

7 “(B) which does not have a preamble;

8 “(C) the title of which is only as follows:
9 ‘Joint resolution relating to the disapproval of
10 the President’s exercise of authority to increase
11 the debt limit, as submitted under section
12 3101A of title 31, United States Code, on
13 _____’ (with the blank containing the
14 date of such submission); and

15 “(D) the matter after the resolving clause
16 of which is only as follows: ‘That Congress dis-
17 approves of the President’s exercise of authority
18 to increase the debt limit, as exercised pursuant
19 to the certification under section 3101A(a) of
20 title 31, United States Code.’.

21 “(c) EXPEDITED CONSIDERATION IN HOUSE OF
22 REPRESENTATIVES.—

23 “(1) RECONVENING.—Upon receipt of a certifi-
24 cation described in subsection (a)(2), the Speaker, if
25 the House would otherwise be adjourned, shall notify

1 the Members of the House that, pursuant to this
2 section, the House shall convene not later than the
3 second calendar day after receipt of such certifi-
4 cation.

5 “(2) REPORTING AND DISCHARGE.—Any com-
6 mittee of the House of Representatives to which a
7 joint resolution is referred shall report it to the
8 House without amendment not later than 5 calendar
9 days after the date of introduction of a joint resolu-
10 tion described in subsection (a). If a committee fails
11 to report the joint resolution within that period, the
12 committee shall be discharged from further consider-
13 ation of the joint resolution and the joint resolution
14 shall be referred to the appropriate calendar.

15 “(3) PROCEEDING TO CONSIDERATION.—After
16 each committee authorized to consider a joint resolu-
17 tion reports it to the House or has been discharged
18 from its consideration, it shall be in order, not later
19 than the sixth day after introduction of a joint reso-
20 lution under subsection (a), to move to proceed to
21 consider the joint resolution in the House. All points
22 of order against the motion are waived. Such a mo-
23 tion shall not be in order after the House has dis-
24 posed of a motion to proceed on a joint resolution
25 addressing a particular submission. The previous

1 question shall be considered as ordered on the mo-
2 tion to its adoption without intervening motion. The
3 motion shall not be debatable. A motion to recon-
4 sider the vote by which the motion is disposed of
5 shall not be in order.

6 “(4) CONSIDERATION.—The joint resolution
7 shall be considered as read. All points of order
8 against the joint resolution and against its consider-
9 ation are waived. The previous question shall be con-
10 sidered as ordered on the joint resolution to its pas-
11 sage without intervening motion except two hours of
12 debate equally divided and controlled by the pro-
13 ponent and an opponent. A motion to reconsider the
14 vote on passage of the joint resolution shall not be
15 in order.

16 “(d) EXPEDITED PROCEDURE IN SENATE.—

17 “(1) RECONVENING.—Upon receipt of a certifi-
18 cation under subsection (a)(2), if the Senate has ad-
19 journed or recessed for more than 2 days, the major-
20 ity leader of the Senate, after consultation with the
21 minority leader of the Senate, shall notify the Mem-
22 bers of the Senate that, pursuant to this section, the
23 Senate shall convene not later than the second cal-
24 endar day after receipt of such message.

1 “(2) PLACEMENT ON CALENDAR.—Upon intro-
2 duction in the Senate, the joint resolution shall be
3 immediately placed on the calendar.

4 “(3) FLOOR CONSIDERATION.—

5 “(A) IN GENERAL.—Notwithstanding Rule
6 XXII of the Standing Rules of the Senate, it is
7 in order at any time during the period begin-
8 ning on the day after the date on which Con-
9 gress receives a certification under subsection
10 (a) and, for the certification described in sub-
11 section (a)(1), ending on September 14, 2011,
12 and for the certification described in subsection
13 (a)(2), on the 6th day after the date on which
14 Congress receives a certification under sub-
15 section (a) (even though a previous motion to
16 the same effect has been disagreed to) to move
17 to proceed to the consideration of the joint reso-
18 lution, and all points of order against the joint
19 resolution (and against consideration of the
20 joint resolution) are waived. The motion to pro-
21 ceed is not debatable. The motion is not subject
22 to a motion to postpone. A motion to reconsider
23 the vote by which the motion is agreed to or
24 disagreed to shall not be in order. If a motion
25 to proceed to the consideration of the resolution

1 is agreed to, the joint resolution shall remain
2 the unfinished business until disposed of.

3 “(B) CONSIDERATION.—Consideration of
4 the joint resolution, and on all debatable mo-
5 tions and appeals in connection therewith, shall
6 be limited to not more than 10 hours, which
7 shall be divided equally between the majority
8 and minority leaders or their designees. A mo-
9 tion further to limit debate is in order and not
10 debatable. An amendment to, or a motion to
11 postpone, or a motion to proceed to the consid-
12 eration of other business, or a motion to recom-
13 mit the joint resolution is not in order.

14 “(C) VOTE ON PASSAGE.—If the Senate
15 has voted to proceed to a joint resolution, the
16 vote on passage of the joint resolution shall
17 occur immediately following the conclusion of
18 consideration of the joint resolution, and a sin-
19 gle quorum call at the conclusion of the debate
20 if requested in accordance with the rules of the
21 Senate.

22 “(D) RULINGS OF THE CHAIR ON PROCE-
23 DURE.—Appeals from the decisions of the Chair
24 relating to the application of the rules of the
25 Senate, as the case may be, to the procedure re-

1 lating to a joint resolution shall be decided
2 without debate.

3 “(e) AMENDMENT NOT IN ORDER.—A joint resolu-
4 tion of disapproval considered pursuant to this section
5 shall not be subject to amendment in either the House
6 of Representatives or the Senate.

7 “(f) COORDINATION WITH ACTION BY OTHER
8 HOUSE.—

9 “(1) IN GENERAL.—If, before passing the joint
10 resolution, one House receives from the other a joint
11 resolution—

12 “(A) the joint resolution of the other
13 House shall not be referred to a committee; and

14 “(B) the procedure in the receiving House
15 shall be the same as if no joint resolution had
16 been received from the other House until the
17 vote on passage, when the joint resolution re-
18 ceived from the other House shall supplant the
19 joint resolution of the receiving House.

20 “(2) TREATMENT OF JOINT RESOLUTION OF
21 OTHER HOUSE.—If the Senate fails to introduce or
22 consider a joint resolution under this section, the
23 joint resolution of the House shall be entitled to ex-
24 pedited floor procedures under this section.

1 “(3) TREATMENT OF COMPANION MEASURES.—

2 If, following passage of the joint resolution in the
3 Senate, the Senate then receives the companion
4 measure from the House of Representatives, the
5 companion measure shall not be debatable.

6 “(4) CONSIDERATION AFTER PASSAGE.—(A) If

7 Congress passes a joint resolution, the period begin-
8 ning on the date the President is presented with the
9 joint resolution and ending on the date the President
10 signs, allows to become law without his signature, or
11 vetoes and returns the joint resolution (but exclud-
12 ing days when either House is not in session) shall
13 be disregarded in computing the appropriate cal-
14 endar day period described in subsection (b)(1).

15 “(B) Debate on a veto message in the Senate
16 under this section shall be 1 hour equally divided be-
17 tween the majority and minority leaders or their des-
18 ignees.

19 “(5) VETO OVERRIDE.—If within the appro-
20 priate calendar day period described in subsection
21 (b)(1), Congress overrides a veto of the joint resolu-
22 tion with respect to authority exercised pursuant to
23 paragraph (1) or (2) of subsection (a), the limit on
24 debt provided in section 3101(b) shall not be raised,

1 except for the \$400,000,000,000 increase in the
2 limit provided by subsection (a)(1)(A).

3 “(6) SEQUESTRATION.—(A) If within the 50-
4 calendar day period described in subsection (b)(1),
5 the President signs the joint resolution, the Presi-
6 dent allows the joint resolution to become law with-
7 out his signature, or Congress overrides a veto of the
8 joint resolution with respect to authority exercised
9 pursuant to paragraph (1) of subsection (a), there
10 shall be a sequestration to reduce spending by
11 \$400,000,000,000. OMB shall implement the se-
12 questration forthwith.

13 “(B) OMB shall implement each half of such
14 sequestration in accordance with section 255, section
15 256, and subsections (c), (d), (e), and (f) of section
16 253 of the Balanced Budget and Emergency Deficit
17 Control Act of 1985, and for the purpose of such
18 implementation the term ‘excess deficit’ means the
19 amount specified in subparagraph (A).

20 “(g) RULES OF HOUSE OF REPRESENTATIVES AND
21 SENATE.—This subsection and subsections (b), (c), (d),
22 (e), and (f) (other than paragraph (6)) are enacted by
23 Congress—

24 “(1) as an exercise of the rulemaking power of
25 the Senate and House of Representatives, respec-

1 tively, and as such it is deemed a part of the rules
2 of each House, respectively, but applicable only with
3 respect to the procedure to be followed in that
4 House in the case of a joint resolution, and it super-
5 sedes other rules only to the extent that it is incon-
6 sistent with such rules; and

7 “(2) with full recognition of the constitutional
8 right of either House to change the rules (so far as
9 relating to the procedure of that House) at any time,
10 in the same manner, and to the same extent as in
11 the case of any other rule of that House.”.

12 (b) CONFORMING AMENDMENT.—The table of sec-
13 tions for chapter 31 of title 31, United States Code, is
14 amended by inserting after the item relating to section
15 3101 the following new item:

 “3101A. Presidential modification of the debt ceiling.”.

16 **SEC. 302. ENFORCEMENT OF BUDGET GOAL.**

17 (a) IN GENERAL.—The Balanced Budget and Emer-
18 gency Deficit Control Act of 1985 is amended by inserting
19 after section 251 the following new section:

20 **“SEC. 251A. ENFORCEMENT OF BUDGET GOAL.**

21 “Unless a joint committee bill achieving an amount
22 greater than \$1,200,000,000,000 in deficit reduction as
23 provided in section 401(b)(3)(B)(i)(II) of the Budget Con-
24 trol Act of 2011 is enacted by January 15, 2012, the dis-
25 cretionary spending limits listed in section 251(c) shall be

1 revised, and discretionary appropriations and direct
2 spending shall be reduced, as follows:

3 “(1) REVISED SECURITY CATEGORY; REVISED
4 NONSECURITY CATEGORY.— (A) The term ‘revised
5 security category’ means discretionary appropria-
6 tions in budget function 050.

7 “(B) The term ‘revised nonsecurity category’
8 means discretionary appropriations other than in
9 budget function 050.

10 “(2) REVISED DISCRETIONARY SPENDING LIM-
11 ITS.—The discretionary spending limits for fiscal
12 years 2013 through 2021 under section 251(c) shall
13 be replaced with the following:

14 “(A) For fiscal year 2013—

15 “(i) for the security category,
16 \$546,000,000,000 in budget authority; and

17 “(ii) for the nonsecurity category,
18 \$501,000,000,000 in budget authority.

19 “(B) For fiscal year 2014—

20 “(i) for the security category,
21 \$556,000,000,000 in budget authority; and

22 “(ii) for the nonsecurity category,
23 \$510,000,000,000 in budget authority.

24 “(C) For fiscal year 2015—

1 “(i) for the security category,
2 \$566,000,000,000 in budget authority; and

3 “(ii) for the nonsecurity category,
4 \$520,000,000,000 in budget authority.

5 “(D) For fiscal year 2016—

6 “(i) for the security category,
7 \$577,000,000,000 in budget authority; and

8 “(ii) for the nonsecurity category,
9 \$530,000,000,000 in budget authority.

10 “(E) For fiscal year 2017—

11 “(i) for the security category,
12 \$590,000,000,000 in budget authority; and

13 “(ii) for the nonsecurity category,
14 \$541,000,000,000 in budget authority.

15 “(F) For fiscal year 2018—

16 “(i) for the security category,
17 \$603,000,000,000 in budget authority; and

18 “(ii) for the nonsecurity category,
19 \$553,000,000,000 in budget authority.

20 “(G) For fiscal year 2019—

21 “(i) for the security category,
22 \$616,000,000,000 in budget authority; and

23 “(ii) for the nonsecurity category,
24 \$566,000,000,000 in budget authority.

25 “(H) For fiscal year 2020—

1 “(i) for the security category,
2 \$630,000,000,000 in budget authority; and

3 “(ii) for the nonsecurity category,
4 \$578,000,000,000 in budget authority.

5 “(I) For fiscal year 2021—

6 “(i) for the security category,
7 \$644,000,000,000 in budget authority; and

8 “(ii) for the nonsecurity category,
9 \$590,000,000,000 in budget authority.

10 “(3) CALCULATION OF TOTAL DEFICIT REDUC-
11 TION.—OMB shall calculate the amount of the def-
12 icit reduction required by this section for each of fis-
13 cal years 2013 through 2021 by—

14 “(A) starting with \$1,200,000,000,000;

15 “(B) subtracting the amount of deficit re-
16 duction achieved by the enactment of a joint
17 committee bill, as provided in section
18 401(b)(3)(B)(i)(II) of the Budget Control Act
19 of 2011;

20 “(C) reducing the difference by 18 percent
21 to account for debt service; and

22 “(D) dividing the result by 9.

23 “(4) ALLOCATION TO FUNCTIONS.—On Janu-
24 ary 2, 2013, for fiscal year 2013, and in its seques-
25 tration preview report for fiscal years 2014 through

1 2021 pursuant to section 254(c), OMB shall allocate
2 half of the total reduction calculated pursuant to
3 paragraph (3) for that year to discretionary appro-
4 priations and direct spending accounts within func-
5 tion 050 (defense function) and half to accounts in
6 all other functions (nondefense functions).

7 “(5) DEFENSE FUNCTION REDUCTION.—OMB
8 shall calculate the reductions to discretionary appro-
9 priations and direct spending for each of fiscal years
10 2013 through 2021 for defense function spending as
11 follows:

12 “(A) DISCRETIONARY.—OMB shall cal-
13 culate the reduction to discretionary appropria-
14 tions by—

15 “(i) taking the total reduction for the
16 defense function allocated for that year
17 under paragraph (4);

18 “(ii) multiplying by the discretionary
19 spending limit for the revised security cat-
20 egory for that year; and

21 “(iii) dividing by the sum of the dis-
22 cretionary spending limit for the security
23 category and OMB’s baseline estimate of
24 nonexempt outlays for direct spending pro-

1 grams within the defense function for that
2 year.

3 “(B) DIRECT SPENDING.—OMB shall cal-
4 culate the reduction to direct spending by tak-
5 ing the total reduction for the defense function
6 required for that year under paragraph (4) and
7 subtracting the discretionary reduction cal-
8 culated pursuant to subparagraph (A).

9 “(6) NONDEFENSE FUNCTION REDUCTION.—
10 OMB shall calculate the reduction to discretionary
11 appropriations and to direct spending for each of fis-
12 cal years 2013 through 2021 for programs in non-
13 defense functions as follows:

14 “(A) DISCRETIONARY.—OMB shall cal-
15 culate the reduction to discretionary appropria-
16 tions by—

17 “(i) taking the total reduction for
18 nondefense functions allocated for that
19 year under paragraph (4);

20 “(ii) multiplying by the discretionary
21 spending limit for the revised nonsecurity
22 category for that year; and

23 “(iii) dividing by the sum of the dis-
24 cretionary spending limit for the revised
25 nonsecurity category and OMB’s baseline

1 estimate of nonexempt outlays for direct
2 spending programs in nondefense functions
3 for that year.

4 “(B) DIRECT SPENDING.—OMB shall cal-
5 culate the reduction to direct spending pro-
6 grams by taking the total reduction for non-
7 defense functions required for that year under
8 paragraph (4) and subtracting the discretionary
9 reduction calculated pursuant to subparagraph
10 (A).

11 “(7) IMPLEMENTING DISCRETIONARY REDUC-
12 TIONS.—

13 “(A) FISCAL YEAR 2013.—On January 2,
14 2013, for fiscal year 2013, OMB shall calculate
15 and the President shall order a sequestration,
16 effective upon issuance and under the proce-
17 dures set forth in section 253(f), to reduce each
18 account within the security category or non-
19 security category by a dollar amount calculated
20 by multiplying the baseline level of budgetary
21 resources in that account at that time by a uni-
22 form percentage necessary to achieve—

23 “(i) for the revised security category,
24 an amount equal to the defense function

1 discretionary reduction calculated pursuant
2 to paragraph (5); and

3 “(ii) for the revised nonsecurity cat-
4 egory, an amount equal to the nondefense
5 function discretionary reduction calculated
6 pursuant to paragraph (6).

7 “(B) FISCAL YEARS 2014-2021.—On the
8 date of the submission of its sequestration pre-
9 view report for fiscal years 2014 through 2021
10 pursuant to section 254(c) for each of fiscal
11 years 2014 through 2021, OMB shall reduce
12 the discretionary spending limit—

13 “(i) for the revised security category
14 by the amount of the defense function dis-
15 cretionary reduction calculated pursuant to
16 paragraph (5); and

17 “(ii) for the revised nonsecurity cat-
18 egory by the amount of the nondefense
19 function discretionary reduction calculated
20 pursuant to paragraph (6).

21 “(8) IMPLEMENTING DIRECT SPENDING REDUC-
22 TIONS.—On the date specified in paragraph (4) dur-
23 ing each applicable year, OMB shall prepare and the
24 President shall order a sequestration, effective upon
25 issuance, of nonexempt direct spending to achieve

1 the direct spending reduction calculated pursuant to
2 paragraphs (5) and (6). When implementing the se-
3 questration of direct spending pursuant to this para-
4 graph, OMB shall follow the procedures specified in
5 section 6 of the Statutory Pay-As-You-Go Act of
6 2010, the exemptions specified in section 255, and
7 the special rules specified in section 256, except that
8 the percentage reduction for the Medicare programs
9 specified in section 256(d) shall not be more than 2
10 percent for a fiscal year.

11 “(9) ADJUSTMENT FOR MEDICARE.—If the per-
12 centage reduction for the Medicare programs would
13 exceed 2 percent for a fiscal year in the absence of
14 paragraph (8), OMB shall increase the reduction for
15 all other discretionary appropriations and direct
16 spending under paragraph (6) by a uniform percent-
17 age to a level sufficient to achieve the reduction re-
18 quired by paragraph (6) in the non-defense function.

19 “(10) IMPLEMENTATION OF REDUCTIONS.—
20 Any reductions imposed under this section shall be
21 implemented in accordance with section 256(k).

22 “(11) REPORT.—On the dates specified in
23 paragraph (4), OMB shall submit a report to Con-
24 gress containing information about the calculations
25 required under this section, the adjusted discre-

1 tionary spending limits, a listing of the reductions
2 required for each nonexempt direct spending ac-
3 count, and any other data and explanations that en-
4 hance public understanding of this title and actions
5 taken under it.”.

6 (b) CONFORMING AMENDMENT.—The table of con-
7 tents set forth in section 250(a) of the Balanced Budget
8 and Emergency Deficit Control Act of 1985 is amended
9 by inserting after the item relating to section 251 the fol-
10 lowing:

“Sec. 251A. Enforcement of budget goal.”.

11 **TITLE IV—JOINT SELECT COM-**
12 **MITTEE ON DEFICIT REDUC-**
13 **TION**

14 **SEC. 401. ESTABLISHMENT OF JOINT SELECT COMMITTEE.**

15 (a) DEFINITIONS.—In this title:

16 (1) JOINT COMMITTEE.—The term “joint com-
17 mittee” means the Joint Select Committee on Def-
18 icit Reduction established under subsection (b)(1).

19 (2) JOINT COMMITTEE BILL.—The term “joint
20 committee bill” means a bill consisting of the pro-
21 posed legislative language of the joint committee rec-
22 ommended under subsection (b)(3)(B) and intro-
23 duced under section 402(a).

24 (b) ESTABLISHMENT OF JOINT SELECT COM-
25 MITTEE.—

1 (1) ESTABLISHMENT.—There is established a
2 joint select committee of Congress to be known as
3 the “Joint Select Committee on Deficit Reduction”.

4 (2) GOAL.—The goal of the joint committee
5 shall be to reduce the deficit by at least
6 \$1,500,000,000,000 over the period of fiscal years
7 2012 to 2021.

8 (3) DUTIES.—

9 (A) IN GENERAL.—

10 (i) IMPROVING THE SHORT-TERM AND
11 LONG-TERM FISCAL IMBALANCE.—The
12 joint committee shall provide recommenda-
13 tions and legislative language that will sig-
14 nificantly improve the short-term and long-
15 term fiscal imbalance of the Federal Gov-
16 ernment.

17 (ii) RECOMMENDATIONS OF COMMIT-
18 TEES.—Not later than October 14, 2011,
19 each committee of the House of Represent-
20 atives and the Senate may transmit to the
21 joint committee its recommendations for
22 changes in law to reduce the deficit con-
23 sistent with the goal described in para-
24 graph (2) for the joint committee’s consid-
25 eration.

1 (B) REPORT, RECOMMENDATIONS, AND
2 LEGISLATIVE LANGUAGE.—

3 (i) IN GENERAL.—Not later than No-
4 vember 23, 2011, the joint committee shall
5 vote on—

6 (I) a report that contains a de-
7 tailed statement of the findings, con-
8 clusions, and recommendations of the
9 joint committee and the estimate of
10 the Congressional Budget Office re-
11 quired by paragraph (5)(D)(ii); and

12 (II) proposed legislative language
13 to carry out such recommendations as
14 described in subclause (I), which shall
15 include a statement of the deficit re-
16 duction achieved by the legislation
17 over the period of fiscal years 2012 to
18 2021.

19 Any change to the Rules of the House of
20 Representatives or the Standing Rules of
21 the Senate included in the report or legis-
22 lative language shall be considered to be
23 merely advisory.

24 (ii) APPROVAL OF REPORT AND LEG-
25 ISLATIVE LANGUAGE.—The report of the

1 joint committee and the proposed legisla-
2 tive language described in clause (i) shall
3 require the approval of a majority of the
4 members of the joint committee.

5 (iii) ADDITIONAL VIEWS.—A member
6 of the joint committee who gives notice of
7 an intention to file supplemental, minority,
8 or additional views at the time of final
9 joint committee vote on the approval of the
10 report and legislative language under
11 clause (ii) shall be entitled to 3 calendar
12 days in which to file such views in writing
13 with the staff director of the joint com-
14 mittee. Such views shall then be included
15 in the joint committee report and printed
16 in the same volume, or part thereof, and
17 their inclusion shall be noted on the cover
18 of the report. In the absence of timely no-
19 tice, the joint committee report may be
20 printed and transmitted immediately with-
21 out such views.

22 (iv) TRANSMISSION OF REPORT AND
23 LEGISLATIVE LANGUAGE.—If the report
24 and legislative language are approved by
25 the joint committee pursuant to clause (ii),

1 then not later than December 2, 2011, the
2 joint committee shall submit the joint com-
3 mittee report and legislative language de-
4 scribed in clause (i) to the President, the
5 Vice President, the Speaker of the House
6 of Representatives, and the majority and
7 minority Leaders of each House of Con-
8 gress.

9 (v) REPORT AND LEGISLATIVE LAN-
10 GUAGE TO BE MADE PUBLIC.—Upon the
11 approval or disapproval of the joint com-
12 mittee report and legislative language pur-
13 suant to clause (ii), the joint committee
14 shall promptly make the full report and
15 legislative language, and a record of the
16 vote, available to the public.

17 (4) MEMBERSHIP.—

18 (A) IN GENERAL.—The joint committee
19 shall be composed of 12 members appointed
20 pursuant to subparagraph (B).

21 (B) APPOINTMENT.—Members of the joint
22 committee shall be appointed as follows:

23 (i) The majority leader of the Senate
24 shall appoint 3 members from among
25 Members of the Senate.

1 (ii) The minority leader of the Senate
2 shall appoint 3 members from among
3 Members of the Senate.

4 (iii) The Speaker of the House of
5 Representatives shall appoint 3 members
6 from among Members of the House of
7 Representatives.

8 (iv) The minority leader of the House
9 of Representatives shall appoint 3 mem-
10 bers from among Members of the House of
11 Representatives.

12 (C) CO-CHAIRS.—

13 (i) IN GENERAL.—There shall be 2
14 Co-Chairs of the joint committee. The ma-
15 jority leader of the Senate shall appoint
16 one Co-Chair from among the members of
17 the joint committee. The Speaker of the
18 House of Representatives shall appoint the
19 second Co-Chair from among the members
20 of the joint committee. The Co-Chairs shall
21 be appointed not later than 14 calendar
22 days after the date of enactment of this
23 Act.

1 (ii) STAFF DIRECTOR.—The Co-
2 Chairs, acting jointly, shall hire the staff
3 director of the joint committee.

4 (D) DATE.—Members of the joint com-
5 mittee shall be appointed not later than 14 cal-
6 endar days after the date of enactment of this
7 Act.

8 (E) PERIOD OF APPOINTMENT.—Members
9 shall be appointed for the life of the joint com-
10 mittee. Any vacancy in the joint committee
11 shall not affect its powers, but shall be filled
12 not later than 14 calendar days after the date
13 on which the vacancy occurs, in the same man-
14 ner as the original designation was made. If a
15 member of the joint committee ceases to be a
16 Member of the House of Representatives or the
17 Senate, as the case may be, the member is no
18 longer a member of the joint committee and a
19 vacancy shall exist.

20 (5) ADMINISTRATION.—

21 (A) IN GENERAL.—To enable the joint
22 committee to exercise its powers, functions, and
23 duties, there are authorized to be disbursed by
24 the Senate the actual and necessary expenses of
25 the joint committee approved by the co-chairs,

1 subject to the rules and regulations of the Sen-
2 ate.

3 (B) EXPENSES.—In carrying out its func-
4 tions, the joint committee is authorized to incur
5 expenses in the same manner and under the
6 same conditions as the Joint Economic Com-
7 mittee is authorized by section 11 of Public
8 Law 79–304 (15 U.S.C. 1024 (d)).

9 (C) QUORUM.—Seven members of the joint
10 committee shall constitute a quorum for pur-
11 poses of voting, meeting, and holding hearings.

12 (D) VOTING.—

13 (i) PROXY VOTING.—No proxy voting
14 shall be allowed on behalf of the members
15 of the joint committee.

16 (ii) CONGRESSIONAL BUDGET OFFICE
17 ESTIMATES.—The Congressional Budget
18 Office shall provide estimates of the legis-
19 lation (as described in paragraph (3)(B))
20 in accordance with sections 308(a) and
21 201(f) of the Congressional Budget Act of
22 1974 (2 U.S.C. 639(a) and
23 601(f))(including estimates of the effect of
24 interest payment on the debt). In addition,
25 the Congressional Budget Office shall pro-

1 vide information on the budgetary effect of
2 the legislation beyond the year 2021. The
3 joint committee may not vote on any
4 version of the report, recommendations, or
5 legislative language unless such estimates
6 are available for consideration by all mem-
7 bers of the joint committee at least 48
8 hours prior to the vote as certified by the
9 Co-Chairs.

10 (E) MEETINGS.—

11 (i) INITIAL MEETING.—Not later than
12 45 calendar days after the date of enact-
13 ment of this Act, the joint committee shall
14 hold its first meeting.

15 (ii) AGENDA.—The Co-Chairs of the
16 joint committee shall provide an agenda to
17 the joint committee members not less than
18 48 hours in advance of any meeting.

19 (F) HEARINGS.—

20 (i) IN GENERAL.—The joint com-
21 mittee may, for the purpose of carrying
22 out this section, hold such hearings, sit
23 and act at such times and places, require
24 attendance of witnesses and production of
25 books, papers, and documents, take such

1 testimony, receive such evidence, and ad-
2 minister such oaths as the joint committee
3 considers advisable.

4 (ii) HEARING PROCEDURES AND RE-
5 SPONSIBILITIES OF CO-CHAIRS.—

6 (I) ANNOUNCEMENT.—The Co-
7 Chairs of the joint committee shall
8 make a public announcement of the
9 date, place, time, and subject matter
10 of any hearing to be conducted, not
11 less than 7 days in advance of such
12 hearing, unless the Co-Chairs deter-
13 mine that there is good cause to begin
14 such hearing at an earlier date.

15 (II) WRITTEN STATEMENT.—A
16 witness appearing before the joint
17 committee shall file a written state-
18 ment of proposed testimony at least 2
19 calendar days before the appearance
20 of the witness, unless the requirement
21 is waived by the Co-Chairs, following
22 their determination that there is good
23 cause for failure to comply with such
24 requirement.

1 (G) TECHNICAL ASSISTANCE.—Upon writ-
2 ten request of the Co-Chairs, a Federal agency
3 shall provide technical assistance to the joint
4 committee in order for the joint committee to
5 carry out its duties.

6 (c) STAFF OF JOINT COMMITTEE.—

7 (1) IN GENERAL.—The Co-Chairs of the joint
8 committee may jointly appoint and fix the compensa-
9 tion of staff as they deem necessary, within the
10 guidelines for employees of the Senate and following
11 all applicable rules and employment requirements of
12 the Senate.

13 (2) ETHICAL STANDARDS.—Members on the
14 joint committee who serve in the House of Rep-
15 resentatives shall be governed by the ethics rules and
16 requirements of the House. Members of the Senate
17 who serve on the joint committee and staff of the
18 joint committee shall comply with the ethics rules of
19 the Senate.

20 (d) TERMINATION.—The joint committee shall termi-
21 nate on January 31, 2012.

22 **SEC. 402. EXPEDITED CONSIDERATION OF JOINT COM-**
23 **MITTEE RECOMMENDATIONS.**

24 (a) INTRODUCTION.—If approved by the majority re-
25 quired by section 401(b)(3)(B)(ii), the proposed legislative

1 language submitted pursuant to section 401(b)(3)(B)(iv)
2 shall be introduced in the Senate (by request) on the next
3 day on which the Senate is in session by the majority lead-
4 er of the Senate or by a Member of the Senate designated
5 by the majority leader of the Senate and shall be intro-
6 duced in the House of Representatives (by request) on the
7 next legislative day by the majority leader of the House
8 or by a Member of the House designated by the majority
9 leader of the House.

10 (b) CONSIDERATION IN THE HOUSE OF REPRESENT-
11 ATIVES.—

12 (1) REFERRAL AND REPORTING.—Any com-
13 mittee of the House of Representatives to which the
14 joint committee bill is referred shall report it to the
15 House without amendment not later than December
16 9, 2011. If a committee fails to report the joint com-
17 mittee bill within that period, it shall be in order to
18 move that the House discharge the committee from
19 further consideration of the bill. Such a motion shall
20 not be in order after the last committee authorized
21 to consider the bill reports it to the House or after
22 the House has disposed of a motion to discharge the
23 bill. The previous question shall be considered as or-
24 dered on the motion to its adoption without inter-
25 vening motion except 20 minutes of debate equally

1 divided and controlled by the proponent and an op-
2 ponent. If such a motion is adopted, the House shall
3 proceed immediately to consider the joint committee
4 bill in accordance with paragraphs (2) and (3). A
5 motion to reconsider the vote by which the motion
6 is disposed of shall not be in order.

7 (2) PROCEEDING TO CONSIDERATION.—After
8 the last committee authorized to consider a joint
9 committee bill reports it to the House or has been
10 discharged (other than by motion) from its consider-
11 ation, it shall be in order to move to proceed to con-
12 sider the joint committee bill in the House. Such a
13 motion shall not be in order after the House has dis-
14 posed of a motion to proceed with respect to the
15 joint committee bill. The previous question shall be
16 considered as ordered on the motion to its adoption
17 without intervening motion. A motion to reconsider
18 the vote by which the motion is disposed of shall not
19 be in order.

20 (3) CONSIDERATION.—The joint committee bill
21 shall be considered as read. All points of order
22 against the joint committee bill and against its con-
23 sideration are waived. The previous question shall be
24 considered as ordered on the joint committee bill to
25 its passage without intervening motion except 2

1 hours of debate equally divided and controlled by the
2 proponent and an opponent and one motion to limit
3 debate on the joint committee bill. A motion to re-
4 consider the vote on passage of the joint committee
5 bill shall not be in order.

6 (4) VOTE ON PASSAGE.—The vote on passage
7 of the joint committee bill shall occur not later than
8 December 23, 2011.

9 (c) EXPEDITED PROCEDURE IN THE SENATE.—

10 (1) COMMITTEE CONSIDERATION.—A joint com-
11 mittee bill introduced in the Senate under subsection
12 (a) shall be jointly referred to the committee or com-
13 mittees of jurisdiction, which committees shall report
14 the bill without any revision and with a favorable
15 recommendation, an unfavorable recommendation, or
16 without recommendation, not later than December 9,
17 2011. If any committee fails to report the bill within
18 that period, that committee shall be automatically
19 discharged from consideration of the bill, and the
20 bill shall be placed on the appropriate calendar.

21 (2) MOTION TO PROCEED.—Notwithstanding
22 Rule XXII of the Standing Rules of the Senate, it
23 is in order, not later than 2 days of session after the
24 date on which a joint committee bill is reported or
25 discharged from all committees to which it was re-

1 ferred, for the majority leader of the Senate or the
2 majority leader's designee to move to proceed to the
3 consideration of the joint committee bill. It shall also
4 be in order for any Member of the Senate to move
5 to proceed to the consideration of the joint com-
6 mittee bill at any time after the conclusion of such
7 2-day period. A motion to proceed is in order even
8 though a previous motion to the same effect has
9 been disagreed to. All points of order against the
10 motion to proceed to the joint committee bill are
11 waived. The motion to proceed is not debatable. The
12 motion is not subject to a motion to postpone. A mo-
13 tion to reconsider the vote by which the motion is
14 agreed to or disagreed to shall not be in order. If
15 a motion to proceed to the consideration of the joint
16 committee bill is agreed to, the joint committee bill
17 shall remain the unfinished business until disposed
18 of.

19 (3) CONSIDERATION.—All points of order
20 against the joint committee bill and against consid-
21 eration of the joint committee bill are waived. Con-
22 sideration of the joint committee bill and of all de-
23 batable motions and appeals in connection therewith
24 shall not exceed a total of 30 hours which shall be
25 divided equally between the Majority and Minority

1 Leaders or their designees. A motion further to limit
2 debate on the joint committee bill is in order, shall
3 require an affirmative vote of three-fifths of the
4 Members duly chosen and sworn, and is not debat-
5 able. Any debatable motion or appeal is debatable
6 for not to exceed 1 hour, to be divided equally be-
7 tween those favoring and those opposing the motion
8 or appeal. All time used for consideration of the
9 joint committee bill, including time used for quorum
10 calls and voting, shall be counted against the total
11 30 hours of consideration.

12 (4) NO AMENDMENTS.—An amendment to the
13 joint committee bill, or a motion to postpone, or a
14 motion to proceed to the consideration of other busi-
15 ness, or a motion to recommit the joint committee
16 bill, is not in order.

17 (5) VOTE ON PASSAGE.—If the Senate has
18 voted to proceed to the joint committee bill, the vote
19 on passage of the joint committee bill shall occur im-
20 mediately following the conclusion of the debate on
21 a joint committee bill, and a single quorum call at
22 the conclusion of the debate if requested. The vote
23 on passage of the joint committee bill shall occur not
24 later than December 23, 2011.

1 (6) RULINGS OF THE CHAIR ON PROCEDURE.—

2 Appeals from the decisions of the Chair relating to
3 the application of the rules of the Senate, as the
4 case may be, to the procedure relating to a joint
5 committee bill shall be decided without debate.

6 (d) AMENDMENT.—The joint committee bill shall not
7 be subject to amendment in either the House of Rep-
8 resentatives or the Senate.

9 (e) CONSIDERATION BY THE OTHER HOUSE.—

10 (1) IN GENERAL.—If, before passing the joint
11 committee bill, one House receives from the other a
12 joint committee bill—

13 (A) the joint committee bill of the other
14 House shall not be referred to a committee; and

15 (B) the procedure in the receiving House
16 shall be the same as if no joint committee bill
17 had been received from the other House until
18 the vote on passage, when the joint committee
19 bill received from the other House shall sup-
20 plant the joint committee bill of the receiving
21 House.

22 (2) REVENUE MEASURE.—This subsection shall
23 not apply to the House of Representatives if the
24 joint committee bill received from the Senate is a
25 revenue measure.

1 (f) RULES TO COORDINATE ACTION WITH OTHER
2 HOUSE.—

3 (1) TREATMENT OF JOINT COMMITTEE BILL OF
4 OTHER HOUSE.—If the Senate fails to introduce or
5 consider a joint committee bill under this section,
6 the joint committee bill of the House shall be enti-
7 tled to expedited floor procedures under this section.

8 (2) TREATMENT OF COMPANION MEASURES IN
9 THE SENATE.—If following passage of the joint com-
10 mittee bill in the Senate, the Senate then receives
11 the joint committee bill from the House of Rep-
12 resentatives, the House-passed joint committee bill
13 shall not be debatable. The vote on passage of the
14 joint committee bill in the Senate shall be considered
15 to be the vote on passage of the joint committee bill
16 received from the House of Representatives.

17 (3) VETOES.—If the President vetoes the joint
18 committee bill, debate on a veto message in the Sen-
19 ate under this section shall be 1 hour equally divided
20 between the majority and minority leaders or their
21 designees.

22 (g) LOSS OF PRIVILEGE.—The provisions of this sec-
23 tion shall cease to apply to the joint committee bill if—

24 (1) the joint committee fails to vote on the re-
25 port or proposed legislative language required under

1 section 401(b)(3)(B)(i) not later than November 23,
2 2011; or

3 (2) the joint committee bill does not pass both
4 Houses not later than December 23, 2011.

5 **SEC. 403. FUNDING.**

6 Funding for the joint committee shall be derived in
7 equal portions from—

8 (1) the applicable accounts of the House of
9 Representatives; and

10 (2) the contingent fund of the Senate from the
11 appropriations account “Miscellaneous Items”, sub-
12 ject to the rules and regulations of the Senate.

13 **SEC. 404. RULEMAKING.**

14 The provisions of this title are enacted by Congress—

15 (1) as an exercise of the rulemaking power of
16 the House of Representatives and the Senate, re-
17 spectively, and as such they shall be considered as
18 part of the rules of each House, respectively, or of
19 that House to which they specifically apply, and
20 such rules shall supersede other rules only to the ex-
21 tent that they are inconsistent therewith; and

22 (2) with full recognition of the constitutional
23 right of either House to change such rules (so far
24 as relating to such House) at any time, in the same

1 manner, and to the same extent as in the case of
2 any other rule of such House.

3 **TITLE V—PELL GRANT AND STU-**
4 **DENT LOAN PROGRAM**
5 **CHANGES**

6 **SEC. 501. FEDERAL PELL GRANTS.**

7 Section 401(b)(7)(A)(iv) of the Higher Education Act
8 of 1965 (20 U.S.C. 1070a(b)(7)(A)(iv)) is amended—

9 (1) in subclause (II), by striking
10 “\$3,183,000,000” and inserting “\$13,183,000,000”;
11 and

12 (2) in subclause (III), by striking “\$0” and in-
13 serting “\$7,000,000,000”.

14 **SEC. 502. TERMINATION OF AUTHORITY TO MAKE INTER-**
15 **EST SUBSIDIZED LOANS TO GRADUATE AND**
16 **PROFESSIONAL STUDENTS.**

17 Section 455(a) of the Higher Education Act of 1965
18 (20 U.S.C. 1087e(a)) is amended by adding at the end
19 the following new paragraph:

20 “(3) TERMINATION OF AUTHORITY TO MAKE
21 INTEREST SUBSIDIZED LOANS TO GRADUATE AND
22 PROFESSIONAL STUDENTS.—

23 “(A) IN GENERAL.—Subject to subpara-
24 graph (B) and notwithstanding any provision of

1 this part or part B, for any period of instruc-
2 tion beginning on or after July 1, 2012—

3 “(i) a graduate or professional stu-
4 dent shall not be eligible to receive a Fed-
5 eral Direct Stafford loan under this part;
6 and

7 “(ii) the maximum annual amount of
8 Federal Direct Unsubsidized Stafford
9 loans such a student may borrow in any
10 academic year (as defined in section
11 481(a)(2)) or its equivalent shall be the
12 maximum annual amount for such student
13 determined under section 428H, plus an
14 amount equal to the amount of Federal
15 Direct Stafford loans the student would
16 have received in the absence of this sub-
17 paragraph.

18 “(B) EXCEPTION.—Subparagraph (A)
19 shall not apply to an individual enrolled in
20 course work specified in paragraph (3)(B) or
21 (4)(B) of section 484(b).”.

22 **SEC. 503. TERMINATION OF DIRECT LOAN REPAYMENT IN-**
23 **CENTIVES.**

24 Section 455(b)(8) of the Higher Education Act of
25 1965 (20 U.S.C. 1087e(b)(8)) is amended—

1 (1) in subparagraph (A)—

2 (A) by amending the header to read as fol-
3 lows: “(A) INCENTIVES FOR LOANS DISBURSED
4 BEFORE JULY 1, 2012.—”; and

5 (B) by inserting “with respect to loans for
6 which the first disbursement of principal is
7 made before July 1, 2012,” after “of this
8 part”;

9 (2) in subparagraph (B), by inserting “with re-
10 spect to loans for which the first disbursement of
11 principal is made before July 1, 2012” after “repay-
12 ment incentives”; and

13 (3) by adding at the end the following new sub-
14 paragraph:

15 “(C) NO REPAYMENT INCENTIVES FOR
16 NEW LOANS DISBURSED ON OR AFTER JULY 1,
17 2012.—Notwithstanding any other provision of
18 this part, the Secretary is prohibited from au-
19 thorizing or providing any repayment incentive
20 not otherwise authorized under this part to en-
21 courage on-time repayment of a loan under this
22 part for which the first disbursement of prin-
23 cipal is made on or after July 1, 2012, includ-
24 ing any reduction in the interest or origination
25 fee rate paid by a borrower of such a loan, ex-

1 cept that the Secretary may provide for an in-
2 terest rate reduction for a borrower who agrees
3 to have payments on such a loan automatically
4 electronically debited from a bank account.”.

5 **SEC. 504. INAPPLICABILITY OF TITLE IV NEGOTIATED**
6 **RULEMAKING AND MASTER CALENDAR EX-**
7 **CEPTION.**

8 Sections 482(c) and 492 of the Higher Education Act
9 of 1965 (20 U.S.C. 1089(c), 1098a) shall not apply to
10 the amendments made by this title, or to any regulations
11 promulgated under those amendments.





August 1, 2011

Honorable John A. Boehner
Speaker
U.S. House of Representatives
Washington, DC 20515

Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

Dear Mr. Speaker and Mr. Leader:

The Congressional Budget Office has estimated the impact on the deficit of the Budget Control Act of 2011, as posted on the Web site of the House Committee on Rules on August 1, 2011. The legislation would:

- Establish caps on discretionary spending through 2021;
- Allow for certain amounts of additional spending for “program integrity” initiatives aimed at reducing the amount of improper benefit payments;
- Make changes to the Pell Grant and student loan programs;
- Require that the House of Representatives and the Senate vote on a joint resolution proposing a balanced budget amendment to the Constitution;
- Establish a procedure to increase the debt limit by \$400 billion initially and procedures that would allow the limit to be raised further in two additional steps, for a cumulative increase of between \$2.1 trillion and \$2.4 trillion;
- Reinstate and modify certain budget process rules;
- Create a Congressional Joint Select Committee on Deficit Reduction to propose further deficit reduction, with a stated goal of achieving at least \$1.5 trillion in budgetary savings over 10 years; and
- Establish automatic procedures for reducing spending by as much as \$1.2 trillion if legislation originating with the new joint select committee does not achieve such savings.

If appropriations in the next 10 years are equal to the caps on discretionary spending and the maximum amount of funding is provided for the program integrity initiatives, CBO estimates that the legislation—apart from the provisions related to the joint select committee—would reduce budget deficits by \$917 billion between 2012 and 2021. In addition, legislation originating with the joint select committee, or the automatic

reductions in spending that would occur in the absence of such legislation, would reduce deficits by at least \$1.2 trillion over the 10-year period. Therefore, the deficit reduction stemming from this legislation would total at least \$2.1 trillion over the 2012-2021 period.

Those amounts are relative to CBO's March 2011 baseline adjusted for subsequent appropriation action. CBO has also calculated the net budgetary impact if discretionary savings are measured relative to its January baseline projections. Relative to that baseline, CBO estimates that the legislation would reduce budget deficits by at least \$2.3 trillion between 2012 and 2021.

Discretionary Caps

The August 1, 2011, version of the Budget Control Act of 2011 would impose caps on appropriations of new discretionary budget authority that start at \$1,043 billion in 2012 and reach \$1,234 billion in 2021. For 2012 and 2013, separate caps for "security" and "nonsecurity" budget authority would be in effect; from 2014 on, only one cap would apply to total discretionary funding.¹

The caps would not apply to spending for the wars in Afghanistan and Iraq and for similar activities (sometimes referred to as overseas contingency operations) or to certain amounts of additional spending for "program integrity" initiatives, for which the act would allow upward adjustments to the caps by specified amounts. In addition, the legislation provides for adjustments to the caps in each fiscal year to account for funding designated for emergency requirements and disaster relief. The cap adjustments for disaster relief would be limited to amounts based on historical averages for such funding.

In Table 1, CBO compares estimated spending under the caps to two projections of discretionary spending:

- CBO's March 2011 baseline, with two adjustments: (1) excluding spending associated with overseas contingency operations—that is, excluding spending that was projected by assuming that the amount of funding provided in 2011 for the wars in Afghanistan and Iraq would continue to be provided for similar activities in future years, with adjustments for inflation; and (2) incorporating the effect of full-year appropriations for 2011, which were enacted after that baseline was completed.

1. For purposes of the discretionary caps, the security category comprises discretionary appropriations for the Department of Defense, the Department of Homeland Security, the Department of Veterans Affairs, the National Nuclear Security Administration, the intelligence community management account (95-0401-0-1-054), and all budget accounts in budget function 150 (international affairs). The nonsecurity category comprises all discretionary appropriations not included in the security category.

- CBO's January 2011 baseline excluding spending that was projected by assuming that the amount of funding provided in 2011 for the wars in Afghanistan and Iraq would continue to be provided for similar activities in future years, with adjustments for inflation.

In CBO's baseline projections, appropriations for discretionary programs are assumed to grow each year with inflation from the amounts provided for the most recent year. The March baseline, as adjusted, incorporates reductions in projected spending resulting from appropriation actions that occurred after the January baseline had been prepared. In particular, the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10) established discretionary funding levels for the current year, while the earlier January baseline reflected funding levels that were largely a temporary extension of the 2010 appropriations.

Relative to the adjusted March baseline, proposed budget authority would be \$840 billion lower and outlays would be \$756 billion lower over the 2012-2021 period. Relative to the January baseline, excluding funding for the wars in Iraq and Afghanistan and for similar activities, the proposed caps would lower budget authority by nearly \$1.1 trillion and outlays by \$935 billion over the 2012-2021 period (see Table 1). The projected reductions in outlays are smaller than the projected reductions in budget authority because outlays generally lag behind budget authority (and thus some of the savings from the caps would occur beyond the 10-year budget window) and because some budget authority never results in outlays.

Program Integrity Initiatives

The Budget Control Act of 2011, as proposed on August 1, 2011, includes two program integrity initiatives aimed at reducing net federal spending for income security and health care programs. If funding is ultimately provided for those initiatives, their net budgetary effects would consist of an increase in discretionary spending to identify and reduce overpayments for such benefits, and some savings in the direct spending programs that provide those benefits (see Table 2).

The bill would allow adjustments to the discretionary caps that would permit additional appropriations to:

- The Social Security Administration (SSA) to conduct continuing disability reviews of beneficiaries of the Disability Insurance (DI) and Supplemental Security Income (SSI) programs and redeterminations (of the eligibility criteria other than disability) of SSI beneficiaries, and

- The Health Care Fraud and Abuse Control Account (HCFAC), which supports activities to reduce waste, fraud, and abuse in Medicare, Medicaid, and the Children's Health Insurance Program (CHIP).

The bill provides that the annual discretionary funding caps would be adjusted by the amounts appropriated for program integrity activities in excess of specific base amounts, up to specified maximum adjustments each year. Those base amounts, however, do not equal the amounts of spending for program integrity activities currently assumed in CBO's baseline. Accordingly, CBO's estimates of mandatory savings from program integrity activities are based on the differences between total funding under the bill (assuming the maximum possible cap adjustment) and the spending in CBO's baseline—rather than the total amount of the cap adjustments.

For Congressional scorekeeping purposes, the benefit savings would not be counted as an offset to direct spending, pursuant to Congressional scorekeeping guidelines published in the conference report for the Balanced Budget Act of 1997 (P.L. 105-33). Specifically, Scorekeeping Rule 3 states that “entitlements and other mandatory programs... will be scored at current law levels ... unless Congressional action modifies the authorization legislation.” In other words, even though additional discretionary funding for the administration of such programs might lead to budgetary savings (from reduced benefit payments), such savings are not counted as reductions in direct spending for scorekeeping purposes.

Social Security Administration. The annual discretionary funding caps would be adjusted by the amount by which funds appropriated for the SSA program integrity activities for a year exceed \$273 million; the maximum such adjustment would rise from \$623 million for fiscal year 2012 to \$1.309 billion a year for fiscal years 2017 through 2021. If the Congress were to appropriate the maximum amounts eligible for the cap adjustment related to SSA funding, spending for such activities would be about \$4 billion above CBO's baseline. Based on the \$4 billion increase, CBO estimates that benefit outlays for DI, SSI, Medicare, and Medicaid would fall by nearly \$12 billion over the 2012-2021 period (see Table 2). Additional savings would accrue after 2021.

Health Care Fraud and Abuse Control. The discretionary caps would also be adjusted by the amount by which funds appropriated for HCFAC for a year exceed \$311 million, subject to a maximum adjustment that would rise from \$270 million for fiscal year 2012 to \$496 million for fiscal year 2021. If the Congress were to appropriate the maximum amounts eligible for the cap adjustment related to HCFAC, spending for such activities would be about \$3 billion above CBO's baseline. Based on that increase, CBO estimates that benefit outlays for Medicare, Medicaid, and CHIP would fall by about \$3.7 billion over the 2012-2021 period. Additional savings would accrue after 2021.

Changes in Direct Spending for Education Programs

Title V of the Budget Control Act of 2011 would amend the Higher Education Act of 1965 to appropriate additional funds for the federal Pell Grant program and make two changes to the Federal Student Loan Program. CBO estimates that, on net, those changes would increase direct spending by \$7.4 billion over the 2012-2016 period but reduce direct spending by \$4.6 billion over the 2012-2021 period (see Table 3).

Pell Grants. The bill would directly appropriate \$10.0 billion for fiscal year 2012 and \$7.0 billion for fiscal year 2013 for Pell grants. Those funds would be used to supplement funding for the portion of the Pell Grant program that is funded through annual discretionary appropriations. CBO estimates that this provision would increase direct spending by \$17.0 billion over the 2012-2015 period (with no impact on outlays after 2015).

Student Loans. As required under the Federal Credit Reform Act of 1990, most of the costs of the federal student loan programs are estimated on a net-present-value basis.² The bill would make two changes to the student loan programs. CBO estimates those changes would reduce direct spending by \$9.6 billion over the 2012-2016 period and \$21.6 billion over the 2012-2021 period. The legislation would:

- *Eliminate the subsidized loan program for graduate students.* Beginning July 1, 2012, the bill would eliminate the interest subsidy on subsidized student loans for almost all graduate students while a borrower is in school, in the post-school grace period, and during any authorized deferment period. (Certain post-baccalaureate students would still be eligible.) The current annual and cumulative loan limits for unsubsidized loans would be adjusted to permit students to borrow additional funds in the unsubsidized loan program. CBO projects that, over the 2012-2021 period, the provision would shift approximately \$125 billion in loan volume from the subsidized to the unsubsidized loan program. Because borrowers would be responsible for the interest accrued on those loans while in school, CBO estimates that this provision would reduce direct spending by \$8.2 billion over the 2012-2016 period and \$18.1 billion over the 2012-2021 period.
- *Eliminate loan repayment incentives.* Beginning July 1, 2012, the bill would terminate, with one exception, the Secretary of Education's authority to make incentive payments to borrowers to encourage the on-time repayment of their federal loans. Specifically, the bill would eliminate the Secretary's authority to

2. Under credit reform, the present value of all loan-related cash flows is calculated by discounting those expected cash flows to the year of disbursement, using the rates for comparable maturities on U.S. Treasury borrowing. (For example, the cash flow for a two-year loan is discounted using the Treasury rate for a two-year zero-coupon note.)

offer a partial rebate of the origination fee but would still allow the current interest rate reduction for borrowers who agree to repay their loans through electronic debiting.³ Because borrowers would effectively pay a higher upfront origination fee, CBO estimates this provision would reduce direct spending by \$1.4 billion over the 2012-2016 period and \$3.6 billion over the 2012-2021 period.

Other Provisions

The legislation would allow for staggered increases in the debt limit through a series of actions by the President, which could be overturned by enactment of joint resolutions of disapproval. If the President took all such actions, the debt limit would eventually be raised by at least \$2.1 trillion; the increase could be as much as \$2.4 trillion if certain Congressional actions occurred as well. In addition, the bill would establish procedures for enforcing the caps on discretionary spending and would provide for a vote on a balanced budget amendment by the end of December 2011.

The legislation also would establish a Congressional Joint Select Committee on Deficit Reduction charged with a goal of reducing the deficit by at least \$1.5 trillion between 2012 and 2021. If, by January 15, 2012, enactment of legislation originating with the joint select committee does not achieve an estimated \$1.2 trillion in deficit reduction (including an allowance for interest savings), the bill would require reductions in both discretionary and direct spending to make up for any shortfall in that targeted savings. Those automatic reductions in spending would be spread evenly over the fiscal years 2013 through 2021; half would come from defense spending and half from nondefense spending, including both discretionary and direct spending.

Those reductions would be implemented as follows:

- The reductions in discretionary spending in 2013 would be accomplished by cutting the budgetary resources available for defense and nondefense accounts by the respective percentages necessary to achieve the required reductions for that year. The reductions in discretionary spending in 2014 through 2021 would be accomplished by lowering the caps on discretionary budget authority for those years. For the purpose of lowering those caps, the bill would set separate caps on funding for defense and nondefense purposes.

3. Under current law for the partial rebate, borrowers initially pay only 0.5 percent of the 1-percent borrower origination fee on subsidized and unsubsidized loans. If a borrower makes 12 on-time payments in the first year of repayment, the Secretary will forgive the additional 0.5 percent of the origination fee. In addition, parent and GradPLUS borrowers initially pay only 2.5 percent of their 4-percent borrower origination fee. Borrowers who make 12 on-time payments in the first year are forgiven the additional 1.5 percent of the origination fee.

- The reductions in direct spending would be implemented using the procedures specified in the Statutory Pay-As-You-Go (PAYGO) Act of 2010 (title I of P.L. 111-139). Under that act, budgetary resources available for programs subject to the automatic reductions, with the exception of Medicare, would be cut by a uniform percentage sufficient to achieve the total required outlay savings for a year. Many direct spending programs and activities would be exempt, however, including Social Security and other retirement programs, Medicaid, and certain other programs benefiting low-income people. The legislation would limit Medicare cuts to no more than 2 percent.

Overall Budgetary Impact of the Legislation

In total, if appropriations in the next 10 years are equal to the caps on discretionary spending and the maximum amount of funding is provided for the program integrity initiatives, CBO estimates that the legislation—apart from the provisions related to the joint select committee—would reduce budget deficits by \$917 billion between 2012 and 2021. In addition, legislation originating with the joint select committee, or the automatic reductions in spending that would occur in the absence of such legislation, would reduce deficits by at least \$1.2 trillion over the 10-year period. Therefore, the deficit reduction stemming from this legislation would total at least \$2.1 trillion over the 2012-2021 period (see Table 3). Those amounts are relative to CBO's March 2011 baseline adjusted for subsequent appropriation action.

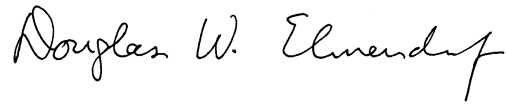
Apart from the provisions related to the joint select committee, savings in discretionary spending would amount to \$741 billion, mandatory spending would be reduced by \$20 billion, and the savings in interest on the public debt because of the lower deficits would come to \$156 billion. (CBO's cost estimates for legislation do not ordinarily include effects on debt service costs, but CBO provides such estimates, when requested, for broad budget plans.) The composition of the other \$1.2 trillion in savings over time and across budget categories would depend on the specific provisions of any legislation stemming from proposals of the joint select committee and the extent of any automatic reductions that would be triggered.

CBO has also calculated the net budgetary impact if discretionary savings are measured relative to its January baseline projections. Relative to that baseline, CBO estimates that the legislation would reduce budget deficits by at least \$2.3 trillion between 2012 and 2021. Apart from the provisions related to the joint select committee, savings in discretionary spending would amount to \$920 billion, mandatory spending would be reduced by \$20 billion, and the savings in interest on the public debt because of the lower deficits would come to \$196 billion.

Honorable John A. Boehner
Honorable Harry Reid
Page 8

I hope this information is useful to you. If you wish further details on this analysis, we will be pleased to provide them.

Sincerely,

A handwritten signature in black ink that reads "Douglas W. Elmendorf". The signature is written in a cursive, flowing style.

Douglas W. Elmendorf
Director

Attachments

cc: Honorable Nancy Pelosi
House Democratic Leader

Honorable Mitch McConnell
Senate Republican Leader

Table 1.**Projected Savings from Discretionary Caps as Specified in the Budget Control Act of 2011, as Posted on the Web Site of the House Committee on Rules on August 1, 2011**

(By fiscal year, in billions of dollars)

		Projections of Discretionary Spending										Total,
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2021
CBO's March 2011 Baseline	BA	1,266	1,290	1,318	1,346	1,377	1,413	1,450	1,488	1,526	1,565	14,038
	OT	1,344	1,356	1,371	1,391	1,420	1,446	1,475	1,517	1,556	1,594	14,472
Adjustments												
Exclude funding for operations in Afghanistan and Iraq and for similar activities	BA	-161	-164	-167	-170	-173	-177	-180	-184	-188	-192	-1,756
	OT	-76	-131	-153	-163	-169	-172	-175	-180	-184	-187	-1,589
Incorporate final 2011 appropriations	BA	-17	-17	-18	-18	-18	-18	-19	-19	-19	-20	-183
	OT	-2	-8	-11	-12	-13	-14	-15	-15	-16	-16	-122
Adjusted March 2011 Baseline	BA	1,087	1,109	1,134	1,159	1,186	1,218	1,251	1,285	1,319	1,353	12,099
	OT	1,267	1,217	1,207	1,216	1,238	1,260	1,285	1,323	1,357	1,391	12,760
CBO's January 2011 Baseline Excluding Funding for Operations in Afghanistan and Iraq and for Similar Activities	BA	1,111	1,133	1,157	1,182	1,210	1,242	1,275	1,309	1,343	1,377	12,341
	OT	1,275	1,230	1,224	1,233	1,257	1,280	1,306	1,344	1,378	1,412	12,939
Proposal												
Proposed Discretionary Caps on Budget Authority ^a	BA	1,043	1,047	1,066	1,086	1,107	1,131	1,156	1,182	1,208	1,234	11,260
	OT	1,241	1,170	1,148	1,149	1,164	1,179	1,196	1,226	1,252	1,278	12,004
Effect of Proposed Discretionary Caps												
Relative to the Adjusted March 2011 Baseline	BA	-44	-62	-68	-73	-79	-87	-95	-103	-111	-119	-840
	OT	-25	-47	-59	-67	-74	-81	-89	-97	-104	-112	-756
Relative to the January 2011 Baseline Excluding Funding for Operations in Afghanistan and Iraq and for Similar Activities	BA	-68	-86	-92	-97	-103	-111	-119	-127	-135	-144	-1,081
	OT	-33	-60	-76	-84	-93	-101	-110	-118	-126	-134	-935

SOURCE: Congressional Budget Office.

NOTES: The calculations above do not include any adjustments for program integrity initiatives.

BA = budget authority; OT = outlays.

a. CBO calculated outlays for 2012 to 2021 by assuming an average aggregate spendout rate for all discretionary spending.

Table 2.
Estimated Effects of Program Integrity Initiatives in the Budget Control Act of 2011,
as Posted on the Web Site of the House Committee on Rules on August 1, 2011

(By fiscal year, in millions of dollars)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	Total, <u>2012-2021</u>
Cap Adjustments in the Legislation (Subject to Appropriation)^a											
SSA											
Budget Authority	623	751	924	1,123	1,166	1,309	1,309	1,309	1,309	1,309	11,130
Outlays	536	689	891	1,083	1,146	1,286	1,299	1,309	1,309	1,309	10,857
HCFAC											
Budget Authority	270	299	329	361	395	414	434	454	475	496	3,927
Outlays	238	296	325	357	391	412	432	452	472	493	3,867
Total											
Budget Authority	893	1,050	1,253	1,484	1,561	1,723	1,743	1,763	1,784	1,805	15,057
Outlays	774	985	1,216	1,440	1,537	1,698	1,731	1,761	1,781	1,802	14,724
Non-Scorable Effects on Direct Spending Outlays											
SSA ^b	-47	-248	-464	-709	-1,033	-1,340	-1,627	-1,928	-2,147	-2,327	-11,872
HCFAC	<u>-84</u>	<u>-185</u>	<u>-290</u>	<u>-402</u>	<u>-435</u>	<u>-453</u>	<u>-467</u>	<u>-475</u>	<u>-476</u>	<u>-475</u>	<u>-3,741</u>
Total	-132	-433	-754	-1,111	-1,468	-1,794	-2,094	-2,402	-2,623	-2,802	-15,614
Memorandum:											
Changes in Outlays for Program Integrity Activities above Baseline ^c											
SSA	95	179	306	456	474	566	529	487	433	375	3,900
HCFAC	<u>225</u>	<u>267</u>	<u>281</u>	<u>297</u>	<u>314</u>	<u>317</u>	<u>318</u>	<u>317</u>	<u>316</u>	<u>314</u>	<u>2,967</u>
Total	320	446	587	753	788	883	847	804	749	689	6,867

SOURCE: Congressional Budget Office.

NOTE: SSA = Social Security Administration; HCFAC = Health Care Fraud and Abuse Control Account.

- These amounts reflect the cap adjustments (budget authority) specified in the legislation. Because the base level of budget authority for program integrity activities specified in the bill (that is, the level of funding that is necessary to trigger a cap adjustment) is lower than the amount assumed in CBO's baseline, only part of the cap adjustment reflects potential new spending for program integrity activities over and above the amounts projected in CBO's baseline.
- The legislation does not allocate the proposed spending increases among the different activities. CBO assumed spending would be allocated in the same proportions as under the President's budget request. In that case, the spending proposed in this legislation would not exceed baseline spending for SSI redeterminations in any year or for SSI continuing disability reviews in fiscal years 2020 or 2021.
- Increased spending above CBO's baseline assuming the appropriation of the maximum cap adjustment. CBO used those amounts to estimate the mandatory program savings.

Table 3.**Effect on the Deficit of the Budget Control Act of 2011, as Posted on the Web Site of the House Committee on Rules on August 1, 2011, Relative to CBO's March 2011 Baseline, Adjusted to Reflect Enactment of 2011 Appropriations**

(By fiscal year, in billions of dollars)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	Total, <u>2012-2021</u>
Discretionary Spending											
Establishment of caps	-25	-47	-59	-67	-74	-81	-89	-97	-104	-112	-756
Program integrity ^a	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>15</u>
Subtotal	-25	-46	-58	-66	-73	-79	-87	-95	-103	-111	-741
Mandatory Spending ^b											
Program integrity	0	0	-1	-1	-1	-2	-2	-2	-3	-3	-16
Pell grants	4	8	5	0	0	0	0	0	0	0	17
Other education	<u>-1</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-3</u>	<u>-22</u>
Subtotal	3	5	2	-3	-4	-4	-4	-5	-5	-5	-20
Debt Service	0	-1	-3	-6	-10	-15	-20	-26	-33	-40	-156
Total Effect on the Deficit Excluding Provisions Related to the Joint Select Committee on Deficit Reduction ^c	-21	-42	-59	-75	-87	-99	-112	-126	-141	-156	-917
Provisions Related to the Joint Select Committee on Deficit Reduction ^c	d	d	d	d	d	d	d	d	d	d	-1,200
Total Effect on the Deficit ^c	d	d	d	d	d	d	d	d	d	d	-2,117

SOURCE: Congressional Budget Office.

NOTES: The only budgetary effects in this table that are counted as changes in direct spending for Congressional scorekeeping purposes are the estimated changes in spending for Pell Grants and other education programs.

With the effects of the discretionary caps measured relative to CBO's January baseline, the legislation, apart from the provisions related to the joint select committee, would reduce budget deficits by about \$1.1 trillion between 2012 and 2021. Savings in discretionary spending would amount to \$920 billion, mandatory spending would be reduced by \$20 billion, and the savings in interest on the public debt because of the lower deficits would come to \$196 billion. Including the provisions related to the joint select committee, the legislation would reduce budget deficits by at least \$2.3 trillion relative to CBO's January baseline.

- These amounts reflect the cap adjustments (budget authority) specified in the legislation. Because the base level of budget authority for program integrity activities specified in the bill (that is, the level of funding that is necessary to trigger a cap adjustment) is lower than the amount assumed in CBO's baseline, only part of the cap adjustment reflects potential new spending for program integrity activities over and above the amounts projected in CBO's baseline. The amounts of potential new spending above baseline are shown in Table 2.
- In addition, the Joint Select Committee on Deficit Reduction could spend existing funds upon startup near the end of fiscal year 2011; CBO estimates that would constitute an increase in direct spending of less than \$500,000 in 2011.
- Negative numbers indicate a reduction in the deficit.
- The composition of the other \$1.2 trillion in savings over time and across budget categories would depend on the specific provisions of any legislation stemming from proposals of the joint select committee and the extent of any automatic reductions that would be triggered.